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Vol. 3

VOLUME NO. 3

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EXPLANATORY NOTES

OF

INCREASES, DECREASES, AND CHANGES IN LANGUAGES

IN THE BUDGET FOR THE

DEPARTMENT OF AGRICULTURE

FOR THE

FISCAL YEAR ENDING JUNE 30, 1936

AND OF

WORK DONE UNDER EACH OF THE APPROPRIATION ITEMS

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BUREAU OF PUBLIC ROADS

(a) FEDERAL AID HIGHWAY SYSTEM	Regular Funds
Appropriation, 1932	$175,000,000
Appropriation, 1933	100,000,000
Appropriation, 1934	35,000,000

Appropriation, 1935	8,000,000
Budget Estimate, 1936,.	8,559,256.14
Increase, Budget 1936, compared with Appropriation, 1935	559,256.14

The estimate for 1936 covers the unappropriated balance of $8,559,256.14 under the regular authorization for Federal Aid for the fiscal year 1933, pursuant to the Act of April 4, 1930 (46 Stat. p. 141). It is estimated that this amount will be required to cover the necessary expenditures during 1936 under this authorization.

It is understood that funds for road construction under the authorizations for 1936 contained in the Act of June 18, 1934 (48 Stat. p. 993-996 - Pub. No. 393, 73d Congress) are to be provided for under a general public works program.

CHANGE IN LANGUAGE

The following proviso is included:

> "That not to exceed $140,000 from the administrative funds authorized by the Act approved November 9, 1921, and Acts amendatory thereof or supplemental thereto, in addition to the amount remaining available under the authorization contained in the Agricultural Appropriation Act approved May 27, 1930, shall be available for the construction of a laboratory, on a site already acquired for permanent quarters for the testing and research work of the Bureau of Public Roads."

Under the Agricultural Appropriation Act of May 27, 1930, Congress authorized the use of $300,000 from road funds for the purchase of land and the erection of a laboratory building, for permanent quarters for the testing and research work of the Bureau of Public Roads. The Act of June 30, 1932 (Public 212 - 72d Congress) provided for a reduction of 10 per centum of the cost as fixed in such authorization as to projects where no contract for construction has been made. Therefore, the previous authorization was reduced to $270,000. A site has been acquired adjacent to the Mt. Vernon Memorial Highway north of Alexandria, Virginia, and there remains an unexpended balance of the authorization of $126,385. It is estimated that in addition to the unexpended balance of the previous authorization, $140,000 will be required to provide for the research activities of the Bureau, now located at Arlington Farm.

PASSENGER CARRYING VEHICLES

Continuation of the authorization for expenditure of not to exceed $45,000 for purchase of passenger carrying vehicles is recommended in order to permit replacement, at a net average cost of $660 each, by exchange of 68 old automobiles now in use in the field service of the Bureau, as set forth in detail in the Budget schedules.

(b) NATIONAL INDUSTRIAL RECOVERY, HIGHWAY FUNDS (ACT OF JUNE 18, 1934)

The Act of June 18, 1934 (48 Stat. p. 993-996 - Public No. 393, 73d Congress) authorized the appropriation of an additional $200,000,000 for emergency construction of public highways under the provisions of Section 204 of the National Industrial Recovery Act. Of this amount $100,000,000 was appropriated by the Emergency Appropriation Act approved June 19, 1934. (48 Stat. p. 1057 - Public No. 412, 73d Congress). Authority to enter into contractual obligations under the $200,000,000 authorization was contained in the Act of June 18, 1934. It is understood that the amount remaining unappropriated will be provided for by a general public works program. On June 19, 1934 the Secretary apportioned to the several States the sum of $200,000,000. (See table which follows).

Section 204 of the National Industrial Recovery Act authorized the President to make grants to the highway departments of the several States of not less than $400,000,000 for emergency construction of public highways in accordance with the provisions of the Federal Highway Act, as amended and supplemented. Apportionments to States under this fund were made in 1933. (See table which follows).

These Acts provided for three classes of projects, as follows:

(1) Projects located on the Federal-aid highway system outside of municipalities;

(2) Projects located on extensions of the Federal-aid highway system into and through municipalities;

(3) Projects located on secondary or feeder roads, not a part of the Federal-aid highway system.

Following is a statement of the apportionment of the authorizations by States:

APPORTIONMENT OF NATIONAL INDUSTRIAL RECOVERY HIGHWAY FUNDS

State	Act of June 16, 1933	Act of June 18, 1934	Total
Alabama	$ 8,370,133	$ 4,259,842	$12,629,975
Arizona	5,211,960	2,641,935	7,853,895
Arkansas	6,748,335	3,428,049	10,176,384
California	15,607,354	7,932,206	23,539,560
Colorado	6,874,530	3,486,006	10,360,536
Connecticut	2,865,740	1,454,868	4,320,608
Delaware	1,819,088	923,395	2,742,483
Florida	5,231,834	2,661,343	7,893,177
Georgia	10,091,185	5,113,491	15,204,676
Idaho	4,486,249	2,277,486	6,763,735
Illinois	17,570,770	8,921,401	26,492,171
Indiana	10,037,843	5,088,963	15,126,806
Iowa	10,055,660	5,118,361	15,174,021
Kansas	10,089,604	5,117,675	15,207,279
Kentucky	7,517,359	3,818,311	11,335,670
Louisiana	5,828,591	2,963,932	8,792,523
Maine	3,369,917	1,711,586	5,081,503
Maryland	3,564,527	1,810,058	5,374,585
Massachusetts ...	6,597,100	3,350,474	9,947,574
Michigan	12,736,227	6,452,568	19,188,795
Minnesota	10,656,569	5,425,551	16,082,120
Mississippi	6,978,675	3,540,227	10,518,902
Missouri	12,180,306	6,173,740	18,354,046
Montana	7,439,748	3,769,734	11,209,482
Nebraska	7,828,961	3,964,364	11,793,325
Nevada	4,545,917	2,302,356	6,848,273
New Hampshire ...	1,909,839	969,462	2,879,301
New Jersey	6,346,039	3,220,879	9,566,918
New Mexico	5,792,935	2,941,700	8,734,635
New York	22,330,101	11,327,921	33,658,022
North Carolina ..	9,522,293	4,840,941	14,363,234
North Dakota	5,804,448	2,938,967	8,743,415
Ohio	15,484,592	7,865,012	23,349,604
Oklahoma	9,216,798	4,685,180	13,901,978
Oregon	6,106,896	3,097,814	9,204,710
Pennsylvania	18,891,004	9,590,788	28,481,792
Rhode Island	1,998,708	1,014,572	3,013,280
South Carolina ..	5,459,165	2,770,954	8,230,119
South Dakota	6,011,479	3,047,643	9,059,122
Tennessee	8,492,619	4,302,991	12,795,610
Texas	24,244,024	12,291,253	36,535,277
Utah	4,194,708	2,132,691	6,327,399
Vermont	1,867,573	948,007	2,815,580
Virginia	7,416,757	3,765,387	11,182,144
Washington	6,115,867	3,106,412	9,222,279
West Virginia ...	4,474,234	2,280,335	6,754,569
Wisconsin	9,724,881	4,941,837	14,666,718
Wyoming	4,501,327	2,287,712	6,789,039
Hawaii	1,871,062	949,778	2,820,840
Dist. of Columbia	1,918,469	973,842	2,892,311
Reserved for administration and engineering	6,000,000	- - -	6,000,000
Total apportionment	400,000,000 (a)	200,000,000 (b)	600,000,000

(a) apportioned in 1933. (b) apportioned in 1934.

WORK DONE UNDER THESE APPROPRIATIONS

Cooperative highway work was started by the Act of July 11, 1916. Under these appropriations the Federal Government cooperates with the several States and the Territory of Hawaii in improving the Federal Aid Highway System as provided in the Federal Highway Act of November 9, 1921, and subsequent amendments. The Federal Aid Highway System is often referred to as the 7 percent system because the mileage in each State was initially limited to 7 percent of the total highway mileage in such State. The routes in the system were selected by the States and approved by the Secretary of Agriculture. On June 30, 1934, the system included 207,231 miles of the principal highways of the country and connected all the principal cities, county seats and other market centers in the United States. About 122,056 miles of this system has been improved with Federal aid and more than 9,157 miles additional was under construction or approved for construction on June 30, 1934. In addition to the mileage given for roads on the Federal Highway System, there was 2,154 miles constructed and 5,605 miles under construction on June 30, 1934 on roads off the system known as secondary or feeder roads. The initiation of and immediate supervision of the construction of Federal-aid projects are under the State highway departments with engineers of the Bureau of Public Roads making frequent inspections and approving all work from the inception of a project until its completion.

(c) PUBLIC LANDS HIGHWAYS - EMERGENCY CONSTRUCTION (ACTS OF JUNE 18 AND JUNE 19, 1934)

The schedule submitted in the Budget shows that the entire appropriation of $2,500,000 will be obligated during the fiscal year 1935.

(d) NATIONAL INDUSTRIAL RECOVERY, AGRICULTURE

(Work-Relief Highways)

Because of acute unemployment conditions in Florida, Colorado, Kansas, New Mexico, North Dakota, Oklahoma, South Dakota, Texas and Wisconsin, in sections which had been adversely affected either through unusual storm damage or extreme drouth conditions, an allotment of funds was made by both the Public Works Administration and the Federal Emergency Relief Administration to provide employment on highway projects in the stricken areas. Specific highway projects were developed in the special areas by the State highway departments, with the approval of the Bureau of Public Roads. The labor is provided and paid for by the Relief Administration; the work being carried forward under the immediate supervision of the State highway departments. Reimbursement is made to the State highway departments from the Public Works funds transferred to the Department of Agriculture for the Bureau of Public Roads in an amount not exceeding 30 percent of the cost of labor and materials entering into the work.

Up to December 1, 1934, a total of $24,770,000 had been allotted for these work relief highway projects. Of this amount $17,399,000 was made available from Emergency Relief funds and $7,431,000 from Public Works funds.

The detail of these allotments, by States, is as follows:

National Recovery Work-Relief Projects

Approved by the Public Works Administration

(as of December 1, 1934)

State	Federal emergency relief funds	30% grant under Sec. 203 of Act of June 16, 1933	Total
Colorado	$ 420,000	$ 180,000	$ 600,000
Florida	700,000	300,000	1,000,000
Kansas	1,470,000	630,000	2,100,000
New Mexico	679,000	291,000	970,000
North Dakota	2,100,000	900,000	3,000,000
Oklahoma	1,330,000	570,000	1,900,000
South Dakota	2,310,000	990,000	3,300,000
Texas	6,230,000	2,670,000	8,900,000
Wisconsin	2,100,000	900,000	3,000,000
Total	17,339,000	7,431,000	24,770,000

(e) NATIONAL INDUSTRIAL RECOVERY

(Public Lands Highways)

Under Section 205 of the National Industrial Recovery Act, $5,000,000 of Public Works funds was transferred to the Department of Agriculture for the Bureau of Public Roads for use "in the survey, construction, reconstruction, and maintenance of main roads through unappropriated or unreserved public lands, non-taxable Indian lands, or other Federal reservations other than the forest reservations." In accordance with the terms of the Federal Highway Act, these funds were apportioned among those States in which the specified public lands exceeded 5 percent of their area. Following is a statement of the apportionment of these funds by States:

Arizona	$ 748,310
California	475,740
Colorado	176,751
Idaho	265,590
Montana	263,230
Nevada	1,129,958
New Mexico	396,203
North Dakota	63,739
Oklahoma	45,517
Oregon	335,141
South Dakota	95,691
Utah	556,699
Washington	64,780
Wyoming	382,651
Total	5,000,000

(f) PUBLIC LANDS HIGHWAYS, EMERGENCY CONSTRUCTION (1933-1936)

Continuation of the language of this item is necessary in order to make available until June 30, 1936, the unobligated balance (estimated at $12,092) of the $2,000,000 appropriated by the Emergency Relief and Construction Act, approved July 21, 1932, for roads on unappropriated or unreserved public lands, non-taxable Indian lands, and so forth. Continuation of availability of this appropriation is necessary in order to provide for authorized obligations which may not be consummated prior to June 30, 1935, and for supervision of work which will carry over into the fiscal year 1936.

(g) PUBLIC LANDS HIGHWAYS, EMERGENCY CONSTRUCTION (1931-1934)

The schedule submitted in the Budget shows obligations of $19,824 during 1934 under this special appropriation. The availability of this appropriation for obligation expired on June 30, 1934.

(h) FLOOD RELIEF, GEORGIA AND SOUTH CAROLINA (1931-1934)

The schedule submitted in the Budget shows obligations of $59 during 1934. The availability of this appropriation for obligation expired on June 30, 1934.

(i) ROADS WITHIN GROUNDS AT MONTICELLO, VIRGINIA

The schedule submitted in the Budget shows that the entire appropriation of $30,000 will be obligated during the fiscal year 1935.

(j) MOUNT VERNON MEMORIAL HIGHWAY

The schedule submitted in the Budget shows obligations of $34,307 during 1934 and estimated obligations of $107,618 during 1935 under this appropriation. No obligations are contemplated during the fiscal year 1936, as it is estimated that the entire appropriation will be obligated by June 30, 1935.

(k) BUILDINGS, GOVERNMENT ISLAND, CALIFORNIA

The schedule submitted in the Budget shows obligations of $1,200 during 1934. The availability of this appropriation for obligation expired June 30, 1934.

(l) NATIONAL INDUSTRIAL RECOVERY

(Miscellaneous Road Projects)

The Budget schedules cover the costs of engineering supervision of county highway projects being constructed under Public Works funds authorized by the National Industrial Recovery Act. The obligations during 1934 for this administrative supervision amounted to $11,815, and the estimated obligations for 1935 are $238,185, out of a total allotment of $250,000.

(m) NATIONAL INDUSTRIAL RECOVERY

(Roads at Beltsville, Md.)

The Budget schedules include an allotment of $10,725, to be expended in 1935, for the improvement of roads at the Beltsville, Md. Research Center.

BUREAU OF AGRICULTURAL ENGINEERING

(a) GENERAL ADMINISTRATIVE EXPENSES

Appropriation, 1932	$ 30,000
Appropriation, 1933	39,800
Appropriation, 1934	36,810
Appropriation, 1935	35,733 (a)
Budget Estimate, 1936	37,600
Increase, Budget 1936, compared with Appropriation, 1935	1,867 (b)

(a) Includes $1,866 to cover 5% salary adjustment for 1935 (to 95%) as follows: (1) $812 transferred from Bureau of Animal Industry; and (2) $1,054 from fund authorized by Sec. 21 (e) of Act of March 28, 1934.

(b) Increase of $1,867 compared with 1935 appropriation consists of 5% salary restoration, 1936 (to 100%).

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated	Increase or decrease 5% Salary Restoration	Increase or decrease Working Funds
Obligated:					
General Administration	$32,768	$35,633	$37,600	(1)1,867	+ 100 (2)
Unobligated:					
Salary reduction impoundments.....	1,767	- - -	- - -	- - -	- - -
Other legislative impoundments.....	1,256	100	- - -	- - -	- 100 (3)
Other amounts unobligated.....	1,019	- - -	- - -	- - -	- - -
Total appropriation	36,810	35,733	37,600	+ 1,867	

The increase of $1,867 for 1936 includes:

(1) An increase of $1,867 for 5% salary restoration 1936 (to 100%).

(2) An increase of $100 in the amount available for obligation in 1936 restoring a corresponding impoundment in 1935.

(3) A reduction of $100 offsetting 1935 impoundment.

WORK DONE UNDER THIS APPROPRIATION

This appropriation covers the general supervisory work of the Bureau and the accounting, recording, and administrative correspondence work in the Washington Office.

(b) AGRICULTURAL ENGINEERING INVESTIGATIONS

Appropriation, 1932	$ 553,840
Appropriation, 1933	478,890
Appropriation, 1934	375,000
Appropriation, 1935	332,160 (a)
Budget Estimate, 1936	370,669
Increase, Budget 1936, compared with Appropriation, 1935	38,509 (b)

(a) Includes $15,709 to cover 5% salary adjustment for 1935 (to 95%) as follows: (1) $6,833 transferred from Bureau of Animal Industry; and (2) $8,876 from fund authorized by Sec. 21 (e) of Act of March 28, 1934.

(b) Increase of $38,509 compared with 1935 appropriation consists of -

5% salary restoration, 1936 (to 100%)	+ $15,709
Increase in working funds for 1936.....	+ 23,800
Reduction: Continuation of 1935 impoundment	- 1,000
	+ 38,509

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Farm irrigation.....	$83,160	$89,811	$93,742	$4,257	-$ 326(3)
Farm drainage and erosion control.....	44,371	42,200	44,047	2,000	- 153(3)
Development of farm lands.....	6,303	8,657	9,036	410	- 31(3)
Farm buildings.....	25,637	35,708	62,271	1,692	+24,871(2)
Farm mechanical equipment	94,199	88,562	92,438	4,198	- 322(3)
Cotton ginning.....	33,678	34,626	36,142	1,641	- 125(3)
Miscellaneous research	6,494	5,086	5,309	241	- 18(3)
Advice and assistance.	15,828	26,510	27,684	1,270	- 96(3)
Total, obligations.....	309,670	331,160	370,669	(1)15,709	+23,800
Unobligated:					
Salary reduction impoundments.....	12,864	- - -	- - -	- - -	- - -
Other legislative impoundments.....	3,470	1,000	- - -	- - -	- 1,000(4)
Other amounts unobligated.....	48,996	- - -	- - -	- - -	- - -
Total appropriation....	375,000	332,160	370,669	+ 38,509	

The increase of $38,509 for 1936 includes:

(1) An increase of $15,709 for 5% salary restoration, 1936 (to 100%).

(2) An increase of $24,871 in the project for "Farm Buildings", consisting of a reduction of $129 by transfer to Interior Department for cleaning service, and an increase of $25,000 for a study of rural housing problems. This increase is necessary in order that the farm building research work of the Bureau may meet the need of the farmers for better and more extensive information on building and rural electrification problems.

The success of the farmer, the welfare of his family, the saving of his crops, and the protection of his livestock, are all affected by the suitability of the farm buildings. Farm dwellings in general have lagged far behind urban homes in the installation of modern conveniences, and during the depression years replacements and improvements have been much below normal, with the result that there is now a large accumulated deficiency of farm buildings. The problems of the farm home are quite difficult in many respects from those of urban residences, and consequently specialized research is required in this field. The present equipment of the Bureau is totally inadequate to meet the needs of the situation.

The use of electric power and conveniences on the farm is a matter of increasing interest to every farmer. While there are other agencies, governmental, state and private, working on certain phases of this problem, all of them are looking to this Bureau for technical advice so that it becomes necessary to ask for increased funds for research and coordination in this field.

(3) A decrease of $1,071 (prorated to the various projects under this item) by transfer to Department of the Interior for cleaning service. (This $1,071, plus the $129 under the project "Farm buildings," makes a total of $1,200 as transferred under this appropriation).

(4) A reduction of $1,000, continuing 1935 impoundment.

PASSENGER-CARRYING VEHICLES

The language of the concluding paragraph includes an authorization to purchase twelve new passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia as follows:

> "and not to exceed $5,750 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia."

There are no passenger-carrying vehicles being purchased during the fiscal year 1935. As shown by the Budget schedule, the $5,750 authorization would permit the replacement of 11 vehicles at an average net cost of approximately $470 each when exchange allowances are taken into account, and the purchase of one additional vehicle at an average cost of $600.

The replacements are needed in order to obviate the continued use of worn-out cars at excessive maintenance costs and in some cases to replace cars the condition of which is such that they cannot be operated after this fiscal

year regardless of the element of costs involved. All of these cars have been in service for four years and most of them for a longer period. The additional car required is for field use in connection with the research work being carried on under the Farm Buildings Project.

WORK DONE UNDER THIS APPROPRIATION

General. The work under this appropriation consists chiefly of research on the engineering problems of agriculture. These problems are included in the fields of farm irrigation, farm drainage, including the control of soil erosion, farm machinery and farm power, farm structures, and the development of farm lands to make possible their most economical and effective utilization. On request, the Bureau also renders engineering service to other bureaus of the Department with respect to the facilities and equipment required in their work.

Farm irrigation. The greatest problem facing irrigation farmers generally throughout all the Western States is the growing scarcity of irrigation water, which has been brought about through more complete settlement, by the introduction of late maturing crops such as sugar beets, corn, and fruits which require more irrigation water than early crops, and by the increasing use of water for purposes other than agricultural. To meet this need it is proposed to attack the problem from all possible angles, the first being the economical utilization of water in crop production. This involves the determination of the optimum amount of irrigation needed for different field crops and fruits, and of the best method and time of application of water to secure the best results under different crop, soil, and climate conditions. The second point of attack is the possibility of decreasing losses of water between the source of supply and the point of application. This involves studies of methods of decreasing losses due to evaporation, seepage, and the growth of aquatic plants in canals and ditches. Included also in this phase, is the design and invention of apparatus for accurately measuring the quantity of water delivered to the farmer and the development of means of securing the economical conveyance of irrigation water. Another point of attack is the increase of the supply of irrigation water by the development of pumps and equipment for utilizing underground waters, the storage underground of spring flood waters for later use by means of pumps, and the development of diversion dams and de-silting works which will make it possible to turn flood waters, which would otherwise be lost, directly into irrigation canals. The final point of attack is through possible reductions in the cost to the farmer of irrigation water. Studies now under way cover methods of controlling silt deposits in reservoirs and canals, the design of apparatus for the removal of gravel and sand from canals, and the development of cheaper methods of organizing and administering irrigation districts.

Farm drainage and erosion control. The major problem in farm drainage consists of the development of better methods and materials for the drainage of lands now in cultivation, with particular reference to the drainage of different soil types, to the drainage requirements of different crops, and to the development of alkali-resistant drain tile. Basic hydraulic information is being developed which when applied to the design of drainage ditches, tile drains, and pumping plants will result in greater efficiency and reduced costs. At this time many drainage districts are bankrupt and studies are being carried on for the purposes of determining the causes of failure and of developing plans for rehabilitating them, physically and financially.

The erosion control work under this project relates to the experimental determination of the best means of preventing or eliminating the loss of soil from farms due to the action of flowing water. This is a study that the Bureau has carried on continuously for many years and for which funds have been set aside annually. At the present time, since the inauguration of the Department's soil erosion control program, this fund from the Agricultural Engineering appropriation is used chiefly to cover administrative features of the major program.

Development of farm lands. This project has for its object the improvement of the operating efficiency of farms. It is evident that the size and shape of the fields, condition of the fields as regards wet spots, steep hill-sides, stumps and stones, the kind and amount of crops raised, should be considered in determining the type and size of farm machinery which should be used. It is necessary that any individual farm be treated as a unit with all of the interlocking elements of the farm business in proper proportion, the one to the other. In order to secure such a balanced farming program, this project is being carried on in cooperation with farm management authorities. The investigations have involved the making of complete surveys of a number of farms which are typical of a section or State. A complete farm program is then prepared and the benefits which will be received by the farmer are determined after the improvements are made. To illustrate the necessity for this project, preliminary surveys have shown that on 18 farms in northern Minnesota, containing a total of 181 fields, the average size of field was 4 acres; on 10 farms in one county in North Carolina there were 218 fields having an average size of 2.03 acres. It is obvious that modern equipment can not be used and low cost methods of production employed under these conditions. It has been found that by comparative inexpensive rearrangement, the average size of fields on the farms studied could be more than doubled. This project is considered to have great possibilities from the standpoint of effective utilization of land now under cultivation.

Farm buildings. This project includes investigations designed to develop better and more efficient methods of building farm structures of all kinds. Recent surveys have indicated that farm houses, in general, are much below desirable standards. One-sixth of all farm houses should be replaced by new buildings and the cost of modernizing the remaining five-sixths will run into billions of dollars. Additional funds are requested for a subproject with three main objectives, to develop improved types and methods of construction, to develop standards for guidance in locating the several buildings of the farmstead, and to develop more satisfactory service equipment for farm homes. New materials and equipment for all kinds of farm buildings are continually being made available, and their usefulness for farm buildings has to be determined. At present tests are being made of treated cotton materials for roofing, and of a number of water-proofing materials for possible use on rammed earth walls. This project also includes the investigation of the equipment required for various purposes in buildings, such as mechanical refrigeration, ventilation, heating, and the storage and transportation of farm products.

Farm mechanical equipment. This project covers all of the research work done by the Bureau in connection with the use of power and machinery on the farm. It includes projects having for their objects the development of better methods and machines for the production and harvesting of the

staple crops grown throughout the country, special emphasis being placed upon studies of the use of equipment in the production of corn, cotton, and sugar beets. These studies have been under way for several years, during which time a number of mechanical devices have been developed which are much more efficient than the machines heretofore used. Combinations of planting and cultivating methods with particular types of machines have been developed. In cotton production, the indications are that the costs can be materially reduced by choosing the right combination of methods and machinery. The work with sugar beets has resulted in the development of a type of machine for thinning beets, which promises to be so successful in reducing the amount of hand labor required as to make it unnecessary to annually import large numbers of laborers from foreign countries for beet production. A special study is being carried on of machinery for distributing fertilizer for different plants and under different soil and climatic conditions. This project is carried on in cooperation with the Bureau of Chemistry and Soils and thirteen State Experiment Stations. Some experimental machines have been constructed which promise to give excellent results in increased crop production, due to the proper placing and distribution of fertilizer.

Special attention is being given to the development of mechanical means for the control of insect pests, including the corn borer, pink boll weevil, and the Japanese beetle. This work is carried on in cooperation with the Bureau of Entomology and Plant Quarantine and has already resulted in the development of machines and implements, or attachments to the same, which have been very effective in destroying these insect pests. Various types of equipment have been designed for applying insecticides for the control of harmful or injurious insects and various types of spraying equipment have been studied in connection with this work.

A study which is becoming of increased importance has to do with the artificial drying of crops, principally forage and grain. An experimental full-sized drier has been constructed for securing data as to the optimum methods and amount of drying forage. It is expected that the operation of this and similar driers will result in the development of more efficient and cheaper methods of artificial drying. This project is being carried on in cooperation with the Bureaus of Animal Industry, Dairy Industry, and Plant Industry.

Cotton ginning. Work under this project consists of experimental laboratory studies designed to improve the equipment and methods employed in ginning cotton. Under special appropriation heretofore made by Congress, a cotton ginning laboratory has been built at Stoneville, Mississippi, and experimental ginning is in progress. Preliminary investigations have indicated certain parts of the process that apparently should be studied first and these are now being investigated. To secure the benefits that can reasonably be expected from this project, it will be necessary to continue the work over a period of years. The project is in cooperation with the Bureau of Agricultural Economics. The cotton drier which was developed has been placed in production by several manufacturers. It is proving to be both efficient and economical.

Miscellaneous research. This project covers a number of items of research that require only intermittent attention. For example, in Louisiana, Florida, and North Carolina, record is being kept of the

settlement of muck and peat soils after being drained. Cross sections are made at intervals of several years to determine this. Similar records are being kept of storm tide heights along the Gulf Coast, of the amount of silting and erosion resulting in certain ditches, and of the long-time effect of drainage on the ground water level. The keeping of these records requires work during short periods at long intervals and does not justify the setting-up of a project in each case.

Advice and assistance. This item covers such informational activities as preparation of farmers' bulletins and leaflets, the preparation and sending out of plans and drawings relating to farm structures, the handling of subject-matter correspondence with the public, the preparation of motion pictures, and such other activities as are involved in making available to the public, information to be applied direct. The project does not include bulletins presenting results of research as such bulletins are charged against the particular research project involved.

EMERGENCY FUNDS

Direct Allotments

Projects	Obligated 1934	Estimated Obligations, 1935
Public Works allotments (National Industrial Recovery Act):-Physical improvements as follows:		
Cotton Ginning Laboratory, Stoneville, Miss. -		
Living quarters for Government employes on Government property necessary because of isolated condition	$10,405	$ 3,595
One large dwelling, single staff	7,580	920
Sewers	408	392
Fire mains	782	18
Sidewalks and planting	438	62
Roadways	- - -	500
Gas mains	403	97
Water mains	449	51
Experimental fiber laboratory and office building for experimental work on cotton fibers	32,000	4,750
Complete fireproof shed, construction of which was stopped by order of March 22, 1933	1,648	15
Roadways, graveling of, on Government owned premises	- - -	500
Footbridge, over non-fordable creek for ingress to Government property from County Highway	499	1
Fencing to protect Government owned lands and properties from trespass and theft	403	97
Incinerator to remove fire hazard and insect infestation on condemned cotton samples	250	- - -
Permanent supports and guards to Government owned fire main crossing over Deer Creek	242	8
Plant trees, shrubs, and sod lawn areas on Government Experiment Station Grounds	78	22
Fireproof room in Government owned building to prevent loss of valuable data and records	244	356
Cotton conditioning shed for storage of experimental cotton samples	650	- - -
Steel and cement ramp and platform to replace present wooden structures at Government Cotton Ginning Laboratory	897	3
Artesian well, needed to supply Government property and assure potable and fire service supplies.	3,900	- - -

Projects	Obligated 1934	Estimated Obligations, 1935
Painting, flashing, cleaning, and otherwise conditioning Government buildings and equipment.....	200	---
Moorestown, New Jersey. -		
Shed for storage of Governmental experimental machinery used in control of Japanese Beetle.	798	2
Arlington Experiment Farm, Arlington, Virginia		
Increase size of temperature and humidity control room. Construction, material and labor.....	498	2
Cork walls, material and labor..	348	127
Cold room doors, material and labor.....	75	75
Humidifier.....	- - -	250
Thermostats.....	- - -	100
Spray chamber.....	- - -	500
Alterations	279	21
Addition to present machinery experimental laboratory, material and labor.....	2,274	1
Auburn, Alabama. -		
Construction of Farm Tillage Machinery Laboratory.....	70,416	40,559
Jeanerette, Louisiana. -		
For additions and alterations to an experimental forage drier building.....	3,517	383
Construction of a cottage.....	4,331	169
Belle Glade, Florida. -		
Installation of spray irrigation for experimental plots.....	300	- - -
Repairs to pumping plant including reconstruction of pumping pit.....	600	- - -
Installation of water stage measuring devices for experimental plots.....	886	14
Reconstructing and cleaning experimental drains.....	599	1
Heber, Calif. -		
Construction of two experimental sand trap devices on a large irrigation canal.....	7,976	24
San Bernardino, California. -		
Installation of eight water spreading experimental plots on various streams in the vicinity of San Bernardino.....	9,651	3,849

Projects	Obligated, 1934	Estimated Obligations, 1935
Medford, Oregon. - Completion of an irrigation system and installation of tile drains on irrigation experimental tract.....	2,291	9
Total, P. W. A. allotments.....	166,315	57,473

BUREAU OF AGRICULTURAL ECONOMICS

(a) GENERAL ADMINISTRATIVE EXPENSES

Appropriation, 1932	$ 290,030
Appropriation, 1933	288,090
Appropriation, 1934	267,750
Appropriation, 1935	240,278 (a)
Budget Estimate, 1936	236,306
Decrease, Budget 1936, compared with Appropriation, 1935	- 3,972 (b)

(a) Includes $9,908 to cover salary adjustment for 1935 (to 95%), as follows: (1) $4,310 transferred from Bureau of Animal Industry; and (2) $5,598 from fund authorized by Section 21(e) of Act of March 28, 1934.

(b) Increase of $10,528 compared with 1935 appropriation consists of -

5% salary restoration, 1936 (to 100%)	+ $10,528
Reduction: Transfer of cleaning work to Department of Interior	- 14,500
	- 3,972

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
General Administrative Expenses	$215,533	$240,278	$236,306	(1)$10,528	-$14,500(2)
Unobligated:					
Salary reduction impoundments	9,533	- - -	- - -	- - -	- - -
Other legislative impoundments	13,932	- - -	- - -	- - -	- - -
Other amounts unobligated	28,752	- - -	- - -	- - -	- - -
Total appropriation....	267,750	240,278	236,306	-3,972	

The decrease of $3,972 for 1936 includes:

(1) An increase of $10,528 for 5% salary restoration, 1936 (to 100%).

(2) A decrease of $14,500 by transfer to Department of the Interior for cleaning service.

WORK DONE UNDER THIS APPROPRIATION

This appropriation provides for the activities of the chief and assistant chiefs of the bureau in formulating general policies to be acted upon by the various divisions of the bureau, as well as the direction and

general supervision of all of the research, service and regulatory work. It covers also the various central service units connected with the business administration of the bureau.

The administrative work of the bureau is especially heavy at the present time because of participation in many of the emergency activities of the Government. Cooperation is maintained with the various agencies and work is planned so as to provide information to give all possible assistance in carrying out the recovery program.

(b) FARM MANAGEMENT AND PRACTICE

Appropriation, 1932	$ 480,760	
Appropriation, 1933	395,467	
Appropriation, 1934	375,000	
Appropriation, 1935	328,341	(a)
Budget Estimate, 1936	344,080	
Increase, Budget 1936, compared with Appropriation, 1935	15,739	(b)

(a) Includes $14,671 to cover 5% salary adjustment for 1935 (to 95%), as follows: (1) $6,382 transferred from Salaries and Expenses, Bureau of Animal Industry; and (2) $8,289 from fund authorized by Section 21(e) of Act of March 28, 1934.

(b) Increase of $15,739 compared with 1935 appropriation consists of 5% salary restoration, 1936 (to 100%).

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease 5% Salary Restoration	Working Funds
Obligated:					
Agricultural Finance	$ 53,610	$66,427	$ 69,977	$ 3,550	- - -
Land Economics and Land Utilization...	88,414	91,726	95,750	4,024	- - -
Farm Population and Rural Life.....	12,075	12,625	13,175	550	- - -
Farm Management and Costs.....	141,849	157,563	165,178	7,615	- - -
Total. obligations...	295,948	328,341	344,080	(1)15,739	- - -
Unobligated:					
Salary reduction impoundments.....	14,098	- - -	- - -	- - -	- - -
Other legislative impoundments.....	14,055	- - -	- - -	- - -	- - -
Other amounts unobligated.....	50,899	- - -	- - -	- - -	- - -
Total appropriation..	375,000	328,341	344,080	+15,739	

(1) The increase of $15,739 is for 5% salary restoration, 1936 (to 100%).

WORK DONE UNDER THIS APPROPRIATION

General. Economic research relating chiefly to the production of farm products is carried on under this appropriation. The work includes studies of agricultural credit, insurance, taxation, land utilization, farm population movements, standards of living, farm management and costs, and other problems involved in the profitable management of the individual farm as well as the success of the agricultural community.

Agricultural Finance-- This project covers studies of farm credit, farm taxation, and farm insurance. Information is made available on amounts, distribution, and trends of farm mortgage debt, agencies or sources of farm-mortgage credit; prevailing costs and other terms and conditions of loans from each source, factors affecting terms and conditions of production and marketing credit as well as of mortgage credit; influences of monetary policies upon supply and cost of credit for agriculture; the place of merchant credit in farm finance; the relation of types of farming to the supply of production credit; causes of difficulty experienced by rural credit institutions; and the practicability of more general supplementing local bank credit, which in many parts of the country has broken down by specialized credit agencies such as agricultural credit corporations and livestock loan companies.

Recent studies show that there was a decrease of between 15 and 20% in the volume of outstanding mortgage indebtedness from 1930 to 1933, due chiefly to the rapid increase in foreclosures. Lending agencies are now in possession of large holdings of land that must eventually be transferred to other ownership. The holdings of corporations lending on farm-mortgage security were estimated at $294,000,000 in 1930 and in 1933 at $770,000,000. Since farm land values declined sharply during this period, the increase in acreage acquired was proportionately greater.

Information on farm taxation is assembled showing amounts and trends of taxes on farm property, sources of Governmental revenue in rural areas, purposes for which the farmers' "tax dollar" is spent, relation of farm taxes to farm income, farm tax delinquency, and possible farm tax reduction through simplification of local Government. The growing seriousness of taxation as an economic problem affecting agriculture, and the demand for further information in the field make it imperative that this work be continued. Farm taxation has an important relation to land utilization and is of vital interest at the present time in the Department's program for bringing about better utilization of our land resources. A comprehensive report on "The Farmer's Tax Problems" was prepared at the request of the Chairman of the Committee on Agriculture of the House of Representatives and published in June, 1934, as House Document 406. This bulletin calls attention to the urgent necessity of taking agriculture into account in any consideration of revision of the Federal tax structure.

A study is under way to determine the extent of tax delinquency and tax sales of farm property throughout the country. Preliminary results show a very great increase in tax delinquency since the beginning of the depression, with resultant serious problems to communities.

The farm-insurance studies deal with problems of insurance protection for farmers against loss from fire, windstorm, hail, liability, and other hazards to property and persons on the farm. Special attention is given to the numerous problems that arise in cooperative or mutual farmers' insurance companies, of which there are now about 2,000 in the United States and which include in their aggregate membership, well over half of all farmers in the country. The bureau is in constant touch with these companies, giving them advice and assistance.

Land Economics and Land Utilization-- For a number of years, the work in land economics has been directed toward formulating a definite, consistent and unified land policy that will provide a planned utilization of all land resources according to the uses for which the various types and grades of land are best fitted. This program involves a steady retirement of lands least suited for the production of crops, giving due consideration to the public welfare.

This project conducts research on problems of land settlement, land tenure, land reclamation, integration of agriculture and industry, decentralization of industry in relation to land utilization, land adaptability and classification including determination of lands which should be withdrawn from agricultural production, land planning procedure and policies, rural zoning, etc., with special reference to the land-use planning program of the Federal Government. The Land Policy Section of the Agricultural Adjustment Administration has called upon the Bureau of Agricultural Economics to conduct research, to compile necessary statistics, and to prepare other basic data needed in the development of the land program.

The necessity for a land-use program is now widely recognized, as is indicated by the Land Planning Program inaugurated by the Agricultural Adjustment Administration, by the Submarginal Land Acquisition Program established by the Federal Emergency Relief Administration in cooperation with the Land Policy Section, and by the recent request of the President to the National Resources Board for a comprehensive National report, with recommendations, on land utilization and land policy. The Chief of the Division of Land Economics of this Bureau has been charged with the responsibility for this report. This bureau is working closely with the Land Policy Section in the prosecution of the program and will cooperate with the other Governmental land agencies in making available to them the results of its research over a number of years and the services of its trained personnel. Much work is being done throughout the country in cooperation with State and local agencies.

The bureau has been making an annual survey of the farm real-estate situation for a number of years, the results of which are meeting a wide public response and are serving as a guide to action in the farm real-estate field.

Farm Population and Rural Life-- Annual estimates are made of the changes in the number of persons living on farms, and studies of the causes and significance of the migrations from farm to city and from city to farm. A series of charts has recently been completed showing the extent and general direction of interstate migrations of native-born white persons from 1870 to 1930. These are of great value in studying the economic development of any community.

Standard-of-living studies are under way which seek an adequate answer to the questions: "What are the relative advantages and opportunities, disadvantages and limitations of living on the farm compared with living elsewhere, for families possessing similar abilities and resources? How can greater opportunities be had through reorganization and adjustment under given sets of circumstances?"

Studies of local institutions and government are made in cooperation with State agencies. The results of one recent study indicated a need for marked changes in fiscal policy if mounting deficits are to be stopped before defaulting of debt obligations becomes inevitable.

Farm Management-- The work under this project deals with the internal organization and management of the farm. It is intensive work for the purpose of finding out how farms can be organized as to size, kinds of crops, combination of crops and livestock, etc., to produce the best results. As a result of this work the bureau is able to point out adjustments that may be made on the individual farm in various parts of the country to reduce costs and increase net returns.

Because of drastic changes in the economic situation many new questions have been raised which must be met through additional research. The Government program for agricultural adjustment has also required more adequate information. Studies of types of farming, farm practices, and means and measures of efficiency of farm organization have been made for both broad regions and typical localities representative of the conditions to be studied.

Types of farming studies in cooperation with State agencies have developed data that are being used as a basis for State programs of research and land-use planning work. The data are being used by extension specialists in adapting their efforts to the specific needs of individual farmers in the light of their particular problems.

The cost of production phase of the farm management studies aims to determine the relative costs of operating the farm as a whole, the influence of different methods of production upon costs and net returns of farming. Information is gathered, compiled and published annually on the costs of producing a number of the principal agricultural products. The figures are published for separate localities, regions and groups of producers.

The finding of costs of production represented by these figures is only a part of the work of the bureau on costs. The other and more important phase has to do with economy in farm organization and operations to determine how costs in farming can be reduced. Farm organization studies are made in which the whole physical and financial organization and operation of the farm

is studied through obtaining figures from representative farms in different type-of-farming areas. The main objective of these studies is to find the best combination of crops, the best systems of livestock production, and the best methods which farmers can adopt under existing circumstances. Particular attention is given to studying farm practices in their relation to cost of production. The aim is to determine the best types of equipment, the best size of machines and power units, the most profitable size of farm, and the best use of labor in order to get maximum returns to the farmer.

Cooperation is maintained with State agencies and with other branches of the Federal Government on practically all of the activities under this appropriation.

EMERGENCY FUNDS

Direct Allotments

Projects	Obligated, 1934	Estimated obligations, 1935
Civil Works Projects:		
Drafting work and construction of charts	$ 254	- - -
Studies of rural tax delinquency, farm mortgages, and land values...	70,458	$ 117,590
Total, C.W.A. allotments	70,712	117,590

(c) MARKETING AND DISTRIBUTING FARM PRODUCTS

Appropriation, 1932	$ 900,000	
Appropriation, 1933	812,320	
Appropriation, 1934	725,000	
Appropriation, 1935	657,321	(a)
Budget Estimate, 1936	688,654	
Increase, Budget 1936, compared with Appropriation, 1935	31,333	(b)

(a) Includes $19,070 from item of $47,670 carried in Deficiency Appropriation Act, 1934, for the collection and analysis of economic data on agricultural products in connection with reciprocal trade agreements authorized by the Act of June 12, 1934; and $29,157 to cover 5% salary adjustment for 1935 (to 95%), as follows: (1) $12,685 transferred from Bureau of Animal Industry; and (2) $16,472 from fund authorized by Sec. 21(e) of Act of March 28, 1934.

(b) Increase of $31,333 compared with 1935 appropriation is for 5% salary restoration, 1936 (to 100%).

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Marketing Fruits and Vegetables	$43,522	$ 52,718	$ 55,229	$ 2,511	- - -
Market Price Trends and Statistical Analysis	83,077	112,553	117,930	5,377	- - -
Marketing Livestock, Meats and Wool	54,900	55,435	58,082	2,647	- - -
Marketing Dairy and Poultry Products ...	16,576	24,061	25,209	1,148	- - -
Marketing Hay, Feed and Seed	51,115	51,514	54,000	2,486	- - -
Cotton Handling and Marketing	20,326	20,610	21,610	1,000	- - -
Cotton Standards and Testing	41,376	43,161	45,200	2,039	- - -
Utilization of Cotton	23,574	27,492	28,800	1,308	- - -
Investigations of Cotton Ginning	39,089	39,837	41,732	1,895	- - -
Grain Investigations.	96,636	68,463	71,686	3,223	- - -
Market Information ..	38,908	43,085	45,164	2,079	- - -
Outlook Reports	80,340	89,642	93,924	4,282	- - -
General Marketing Research	- - -	28,750	30,088	1,338	- - -
Total obligations ...	589,439	657,321	688,654	(1)31,333	- - -
Unobligated:					
Salary reduction impoundments	27,516	- - -	- - -	- - -	- - -
Other legislative impoundments	54,090	- - -	- - -	- - -	- - -
Other amounts unobligated	53,955	- - -	- - -	- - -	- - -
Total appropriation..	725,000	657,321	688,654	+ 31,333 (1)	

(1) The increase of $31,333 is for the 5% salary restoration, 1936 (to 100%).

WORK DONE UNDER THIS APPROPRIATION

General. Analyses are made of statistics gathered largely by the divisions of crop and livestock estimates, the news services and other activities of the bureau in order to establish the statistical position of each agricultural product. This work has been very valuable to the Agricultural Adjustment Administration in its program of adjustment of agricultural production. These data are published in annual outlook reports, in periodic bulletins on the agricultural situation and price

situation, and other releases and is carried direct to the farmer by the farm management and other workers of this bureau and of cooperating agencies.

In addition to the statistical and economic research, the physical problems connected with handling, grading, packing, shipping and marketing of products are studied and recommendations are made for improvement. Numerous laboratory studies are carried on such as spinning and ginning tests of various types and grades of cotton, and milling, baking and other tests connected with the grading of grain. Work is being done to establish additional uses for cotton. Extensive research is carried on concerning problems connected with the grading of farm products. Standardized grades have been prepared for a large number of products and demonstrational work is carried on to educate the producers and the trade in their use. Continuation of the work under this appropriation is of utmost importance in meeting the demand of producers and the trade for information on problems connected with the marketing of farm products.

Marketing Fruits and Vegetables-- This project covers studies of the marketing of fruits and vegetables, including handling and preparation of products for market, motor truck distribution, and the relation of grades to market prices. In addition, standards are formulated for fruits and vegetables and demonstrations made of their use. Great impetus has been given to the standardization work by the large scale buying of farm products by Governmental agencies which demand grading service. There has also been a greatly increased demand on the part of consumers for Federally inspected products.

The market news and inspection and grading services are conducted largely on the basis of Federal standards, and the enforcement of the Perishable Agricultural Commodities Act is dependent to a large degree on the use of Federal standards since they are used as the basis for contracts.

Recommendations are made for improvements in the handling, grading and marketing of fruits and vegetables which have helped to eliminate waste and have aided producers in preparing their products to meet market demands. Attention is being given to the preparation of standards for canned foods and products for the cannery.

Market Price Trends and Statistical Analysis-- Statistical data are gathered and analyzed for the purpose of furnishing basic information for the adjustment of production and marketing to changing economic situations. Information is gathered on prices received and prices paid by farmers, on agricultural income and the significance of present trends, on the general conditions affecting agriculture, and on problems related to proposals for agricultural relief and development. Information for various fields of agricultural economics is compiled, analyzed and interpreted.

The conditions in industry, consumers' incomes and foreign competition are studied as they affect the demand for American farm products. Analyses are made to determine the extent to which these conditions influence prices and shape their trends throughout marketing seasons and from one producing period to another. Results of the analyses are released in regular weekly, monthly and annual reports and in special statements and graphic summaries.

Studies of the demand for farm products, developed in this bureau over a number of years have been of great value in determining the necessary adjustments in production to relieve market surpluses and have made it possible to forecast with a reasonable degree of accuracy the effects of such adjustments on prices.

Recent developments in connection with the tariffs on imports into the United States, and particularly the amendment to the tariff act which gives the President authority to enter into reciprocal trade treaties with foreign countries, have directed much statistical research toward the possibilities of international trade and the extent of competition between domestic agricultural products and the products that might be imported. A series of studies have been made to provide various agencies of the Government with analyses of the probable economic effects of seasonal import duties on a large number of agricultural products. An allotment of $19,070 was made to the project from an item of $47,670 for this purpose carried in the Deficiency Appropriation Act, 1934.

For several years the Bureau has been studying farm incomes and has been revising and improving the methods of estimating income. Reliable data on net incomes received by farmers constitute probably the best index as to the economic condition of agriculture.

For the first time the Bureau has estimated and published current monthly estimates of farmers' cash income from farm marketings. These estimates, together with adequate data on prices paid by farmers, make possible a measure of month-to-month changes in the purchasing power of American farmers.

The index of prices received for farm products which has been developed in this Bureau has become generally accepted and used throughout the country much as is the Bureau of Labor Statistics index of wholesale prices. Prices of tobacco, retail milk, wholesale milk, and several truck crops have been added to the former index.

Marketing Livestock, Meats and Wool-- Information is gathered and published relating to problems developing as a result of changing supply and demand conditions, increased competition, new methods and practices and distribution, and other matters which may be of help in making adjustments in production and marketing programs, and in effecting more efficient and economical distribution of products. Standardized grades are formulated for various classes of livestock and meats and their use explained and demonstrated.

Study is being given to the changes in buying and selling practices with special reference to the shifts from selling on central markets to direct dealing between producers and packers. This work has been expanded at the request of the A. A. A. and a comprehensive report will be released in the near future. In this connection a large number of hogs are being graded according to Federal standards. It was found that more than 72 distinct local grade standards, besides the bureau's standards were in use.

The confusion and evident economic loss that result from the use of these numerous market standards demonstrated conclusively the need for the application of a single, simple, uniform standard if producers are to be on equal footing with those who buy their hogs and with those who compete with them in selling.

Marketing Dairy and Poultry Products-- Standards are prepared for the various products and their use explained and demonstrated. Studies are made also of the production, marketing, distribution and consumption of these products, of price quotations, and trade and exchange practices. Assistance is given in meeting special problems resulting from changing conditions and in working out more efficient and economical methods and practices. Consumer demands and preferences are being studied, and more complete data on utilization are being compiled and published.

Marketing Hay, Feed, and Seed-- This project covers studies of methods and practices in connection with marketing of various types of hay, alfalfa, and alfalfa meal, beans, soybeans, peas, seeds, etc. Assistance is given on special problems and effort is made to work out improvements in methods leading to the more efficient and economical handling of these products.

Standards have been prepared for most of the commercial classes of hay but considerable research and educational work remains to be done. In the research field through cooperation with the bureaus of Animal Industry, Dairy Industry, Plant Industry, Chemistry and Soils, and Agricultural Engineering, various studies are being pursued and planned covering investigations of factors affecting the grade and quality of hay and hay products. This is a new ten-year cooperative program of six research bureaus in conjunction with the States through the Office of Experiment Stations.

Tentative standards have been issued for alfalfa meal but there is still much cooperative work to be done in conjunction with the hay studies mentioned above, as well as on split peas, cowpeas and other products.

Cotton Handling and Marketing-- Studies are made of marketing methods and practices, price quotations and relationships, and numerous special marketing problems of distinct importance to cotton growers in various parts of the belt. Problems of cotton baling and tare, concentration of movement of cotton to market, use of the official cotton standards in describing quality and in facilitating market transactions, sale of cotton on net weight as compared with gross weight, and other urgent questions are being studied.

Information has been gathered over a period of five years on the prices received by growers on the basis of grade and staple length in selected markets throughout the Cotton Belt. The purpose is to ascertain the extent to which prices received by growers in their local markets vary on the basis of grade and staple length, and to what extent the price differential served as an incentive to growers to improve the quality of the cotton produced. Results of these analyses to date show that the prices to growers do not accurately reflect spinning value. It has been pointed out that the failure of the present

marketing system to reflect a larger proportion of central-market premiums and discounts in the prices received by growers discourages the production of better grade and staple. Much work is being done by the bureau in cooperation with other Federal and State agencies to bring about improvement in the grade and staple of cotton and a steady increase in staple length has been noted. At the request of the A. A. A., and of the trade organizations concerned, the bureau has undertaken the preparation of uniform trading rules for spot cotton markets, to supplement some 30 separate sets of rules now in use in the markets. A preliminary draft of unified rules has been prepared and submitted to the public for criticism in a series of conferences, and the final draft is now being prepared.

Cotton Standards and Testing-- Work is being carried on continuously to perfect the standards for cotton and to discover fiber characteristics. New information concerning the nature of the individual cotton fiber that differs radically from old concepts of fiber structure has been developed by one series of the bureau's investigations carried out in cooperation with the Boyce Thompson Institute.

Other progress has been made toward the ultimate standardization of certain character elements. With the aid of delicate equipment the average weight per fiber-inch is calculated as a measure of fiber fineness, and fiber maturity, strength, and length uniformity are being determined. These accomplishments mean that a long step has been taken toward obtaining the data for establishing the relationships between some of the character properties of the raw cotton and quality of the manufactured products. It should now be possible to devise and test more rapid methods for the recognition and measurement of these properties in raw cotton with a view to providing the practical basis of comparing samples against any character standards or specifications that may be developed.

Relationships between fiber length and fineness in more than 250 American upland cottons have been studied. Results indicate that fiber fineness can be estimated from the fiber length alone with an average error of only about 10 percent. About one-third of this disparity is associated with underdevelopment or overdevelopment of the cotton-fiber wall, presumably due to varying conditions of growth. These facts suggest that a method of selecting cottons of different degrees of fineness may be based largely on a knowledge of fiber length. Many other studies are under way on developing accurate measures of color and length of staple, wastage, etc.

Cotton Utilization Studies-- Statistics are being compiled and analyses made of shifts and changes in the uses for cotton, the growth of new uses, competition of foreign-grown cottons with American and the encroachment of other fibers upon the fields of cotton use. It is essential in the consideration of cotton production programs that cotton growers and their advisors be informed concerning the uses of cotton and of the changes taking place in these uses. Continued attention has been given to the possibilities for increasing the use of cotton through its use in the "consumer packaging" of farm products.

Shipment of commodities in consumer-package form is increasing rapidly, and cotton bags are playing an important part in the development of this new method of merchandising. Selling farm products at retail in cotton bags of convenient size for consumers is helping to solve problems of merchandizing fruits and vegetables. This benefits materially the growers of these products and, at the same time, opens a new and important outlet for the product of the cotton farmer.

One of the greatest opportunities to increase the use of American cotton lies in the field of consumer packaging of farm products. In 1928 the new-uses section of the Bureau of Agricultural Economics, in a report on the use of cotton bags and other containers in the wholesale grocery trade, pointed out the advantages of the cotton bag for retail packaging of fruits and other farm products. Developments in this field during the last few years have confirmed the soundness of this belief and millions of cotton bags are now being used for this purpose.

Cotton Ginning Investigations-- This project which is carried on jointly with the Bureau of Agricultural Engineering at the Department's cotton ginning and fiber laboratory at Stoneville, Mississippi, as well as this bureau's fiber laboratories at Washington, D. C., and its spinning laboratory at Clemson College, S. C., is concerned with improving the quality of American cotton and with conserving the values of cotton in the hands of growers now being lost through improper handling.

Attention has been centered principally on the problems of greatest concern to growers and ginners, such as the influence upon the quality of ginned lint of saw speeds and seed-roll densities, excessive moisture in the seed cotton, and use of cleaning equipment.

The character and value of this work are illustrated by several findings. It has been popularly believed that one of the most prolific causes of damage to ginned lint is the relatively high rate of speed at which gin saws are usually operated. The laboratory finds that the speed of saws within reasonable limits is relatively unimportant. But the rate at which seed cotton is fed to the gin and the consequent density of the seed-cotton roll affect materially the quality of the ginned lint, yet this condition has received comparatively minor attention. Use of the tight seed roll in ginning substantially increases the capacity of a gin but only with a reduction in quality of the ginned lint and at the expense of the farmer.

Moisture studies have yielded information of great value. Excessive moisture in seed cotton has always presented one of the most difficult obstacles to good ginning. In the early approach to the problem, the Bureau of Agricultural Engineering designed an effective and low-cost drier which has been commercially built and widely installed. New devices are being developed for improving gin operation and many additional problems are being studied.

Grain Marketing and Grading Investigations-- This project covers the work of the milling, baking and chemical laboratory, and other work connected with the formulation and revision of grain standards, and in meeting special problems and establishing policies with respect to the interpretation and application of the standards under the Grain Standards Act. This project

cooperates with the Bureau of Plant Industry in ascertaining for them the milling and baking properties of the many hundreds of wheat varieties grown by that bureau throughout the country, thus enabling the crop production units of the Department to select desirable varieties which have been tested in comparison with the commercial lots of grain which are tested in connection with formulation and revision of grain standards. Methods and practices involved in the harvesting, handling, storing, cleaning, artificial drying, and bulk handling of grain are studied, with a view to developing methods for improving the quality and market value of the grain, and to avoid losses from deterioration of the grain while it is in storage or during transportation.

Market Information-- The statistical and economic editorial informational and distribution work of the bureau is done for all forms of release publication, mimeographed reports, press releases, radio broadcasts, exhibits, motion pictures, and materials for extension workers. All bureau publications are appraised, verified, edited and prepared in form for release. Manuscripts and reports on statistical and economic subjects are prepared to meet various forms of inquiry.

The Department publications "Crops and Markets" and "The Agricultural Situation" are edited, and supervision is maintained over all bureau mailing lists and periodicals. Charts covering economic information are prepared and sold to extension workers and others, and exhibits are prepared for fairs and expositions in cooperation with the extension service of the Department. Many special releases covering various phases of the bureau's work are prepared and information on statistical and economic subjects in reply to inquiry.

Outlook Reports-- This project covers the work of gathering, compiling, analyzing, and interpreting information helpful in adjusting production and marketing programs to meet changing conditions of demand. Data are drawn from every source, and specialists throughout the bureau cooperate in preparing reports setting forth the significant facts covering each important farm product, the trends of supply, demand and prices, and the probable outlook for future production. This work has been closely coordinated with other research of the bureau and the Agricultural Adjustment Administration.

Outlook work represents one of the most direct and effective means of cooperation with State college and extension economists in presenting the analysis of the agricultural situation changes and developments. This work is basic to the application of economic facts and analysis to the problems of the individual farmer, and has been utilized to an increasing degree since the program of agricultural adjustment was inaugurated. Not only the annual and seasonal outlook reports have been utilized to a larger extent but there have also been constant calls for special statements at frequent intervals.

General Marketing Research-- A new project has been organized during the current year to handle new marketing problems which have arisen, especially those which involve more than one commodity. The Marketing Research Division will work closely with the commodity divisions of the bureau in carrying out its researches.

Four groups of studies have been undertaken by the new division. First, it will study the economic effects on the producer and consumer of marketing agreements now in operation and will determine the changes in market organization and marketing methods and costs resulting from the agreements. The findings will furnish information upon which policies may be formulated to improve the marketing of farm products.

A second group of studies will deal with the spread between prices received by farmers and prices paid by consumers of agricultural products. Price spreads will be studied in relation to wage levels and to costs of materials and attention will be given to differences in price spreads in the United States and in foreign countries.

Increased wages and material costs under the industrial codes, and the collection of processing taxes, have necessarily increased the cost of getting food and other farm products from the farm to the city family. If such costs are raised too much or if there is pyramiding by which dealers increase their charges more than enough to cover such increases in cost, agricultural recovery will be delayed and incomplete. It is therefore important that careful comparisons be made between prices paid by city consumers for such commodities as bread, pork, and cotton cloth and the prices received by farmers for the raw materials used in making these commodities.

A third group of studies will be concerned with marketing organizations, facilities, methods, and practices. The rapid development of motor truck distribution, large scale retailing and direct marketing, as well as the recovery measures have greatly changed marketing methods.

The fourth group of studies will deal with the consumption of agricultural products. These studies will be for the purpose of finding ways to expand the consumption of agricultural products wherever possible.

EMERGENCY FUNDS

Direct Allotments

Project	Obligated, 1934
Civil Works Projects:	
Collection of statistics on price differentials for cotton of various qualities, etc.	$ 20,776

(d) CROP AND LIVESTOCK ESTIMATES

Appropriation, 1932	$ 804,120	(a)
Appropriation, 1933	785,020	
Appropriation, 1934	700,000	
Appropriation, 1935	632,886	(b)
Budget Estimate, 1936	661,289	
Increase, Budget 1936, compared with Appropriation, 1935	28,403	(c)

(a) Total appropriation for 1932 was $1,187,500, which included Foreign Competition and Demand, subsequently carried as a separate item.

(b) Includes $29,185 to cover 5% salary adjustment for 1935 (to 95%), as follows: (1) $12,695 transferred from Bureau of Animal Industry; and (2) $16,490 from fund authorized by Sec. 21(e) of Act of March 28, 1934.

(c) Increase of $28,403 compared with 1935 appropriation is for 5% salary restoration 1936 (to 100%).

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Crop and Livestock Reports	$530,505	$584,512	$610,281	$ 25,769	- - -
Production and Marketing Statistics	49,100	48,374	51,008	2,634	- - -
Total obligations ...	579,605	632,886	661,289	(1)28,403	- - -
Unobligated:					
Salary reduction impoundments	23,780	- - -	- - -	- - -	- - -
Other legislative impoundments	19,043	- - -	- - -	- - -	- - -
Other amount unobligated	77,372	- - -	- - -	- - -	- - -
Total appropriation ..	700,000	632,886	661,289	(1) + 28,403	

(1) The increase of $28,403 is for the 5% salary restoration, 1936 (to 100%).

WORK DONE UNDER THIS APPROPRIATION

General. The work under this appropriation consists of the estimates of crops and livestock, and the compilation and publication of statistical data relating to production and marketing. This work provides much of the basic data for the research and service work relating to the economics of agriculture. Estimates of acreage and forecasts of the production of the various crops and statistics of numbers and value of livestock and livestock products, are prepared as well as a large volume of related information. The reports cover more than 90 crops and classes of livestock.

Crop and Livestock Reports-- The principal function of this project is to collect, compile, analyze, record and publish basic data of a statistical nature, secured largely from primary sources, covering all phases of agricultural production, (both of crops and livestock), stocks, prices and related subjects. This includes estimating acreage, yield per acre and quantity of production of 35 staple and special crops, 22 commercial truck crops, 10 fruit crops; estimates of livestock inventories, i.e., number on farms as of January 1, and annual estimates of livestock production; estimates of livestock products (farm basis) - milk, wool, eggs, etc.; and estimates of farm prices to serve as a basis of evaluating the production of crops, livestock and livestock products and for the construction of index numbers. It also includes the collection and publication of timely information concerning the progress of growing crops, prospective production (forecasts), estimates of stocks of commodities in hands of farmers and first receivers, etc.; intentions to plant reports, forecasts of livestock numbers and many other special reports, the chief purpose of which is to aid farmers in planning their production programs and marketing their products. The information is also extensively used by business and industrial concerns, railroads, banks and students of agricultural problems. The official reports tend to prevent the issuance of false and misleading information from private sources. Most of the information must be collected when available or it is permanently lost.

That accurate statistics of acreage and production of crops and numbers of livestock are indispensable to an intelligent agriculture has been frequently demonstrated this year. The official crop and livestock estimates of the bureau have probably been more widely used by both governmental and private agencies than ever before. The demand has been for more detailed reports since the adjustment program called for estimates by counties. Some curtailment was necessary in the dairy, fruit, and vegetable reports, but in general the regular crop-reporting service for most crops have been maintained.

This division has taken an active part in such emergency activities as the corn-hog campaign, the 1934 cotton program of the A. A. A., in the fruit and vegetable work in the General Crops Section of the A.A.A., and in connection with marketing agreements covering various commodities. The bureau's statisticians in practically all States assisted local boards of review which were set up to pass on and approve contracts before forwarding them to Washington. The bureau provided the information upon which county quotas for corn, hogs, and cotton were established, and the field offices handled the tabulation of

the contracts. Through a corps of traveling statisticians, in each State assistance was given the counties in checking and correcting the contracts to bring them within the established quotas.

During the current year the State statisticians are acting as advisory consultants to the State cotton allotment boards and members of their staff are assisting in the tabulation and analysis of the applications of cotton producers for allotments under the act.

Chiefly as a result of the wheat and corn-hog programs of the A.A.A., the work on grain was greatly increased. County estimates of wheat acreage, yield, and production for each of the years 1928 to 1932 and county estimates of corn acreage for 1932 and 1933 and of corn yields for 1924 to 1933 were prepared for the A.A.A. In addition there have been frequent calls for special information needed in connection with other adjustment programs.

Through cooperation with the General Crops Section of the A.A.A. which needed special information relating to fruits for use in connection with marketing agreements, arrangements were completed recently to increase the scope and number of fruit reports. Special surveys are being undertaken covering citrus fruits in California, Texas, and Florida, and pears on the Pacific coast.

Cooperation is maintained with 34 States and with many branches of the Federal Government.

Branch offices are maintained at Albany, N. Y., Athens, Ga., Austin, Tex., Boise, Idaho, Boston, Mass., Brookings, S.D., Charleston, W.Va. Cheyenne, Wyo., College Park, Md., Columbia, Mo., Columbia, S. C., Columbus, Ohio, Denver, Colo., Des Moines, Iowa, Fargo, N.D., Gulfport, Miss., Harrisburg, Pa., Helena, Mont., Knoxville, Tenn., Lansing, Mich., Las Cruces, N. Mex., Lincoln, Nebr., Little Rock, Ark., Louisville, Ky., Madison, Wis., Montgomery, Ala., New Orleans, La., Oklahoma City, Okla., Orlando, Fla., Phoenix, Ariz., Portland, Oreg., Raleigh, N.C., Richmond, Va., Sacramento, Calif., Salt Lake City, Utah, Springfield, Ill., St. Paul, Minn., Topeka, Kans., Trenton, N. J., W. Lafayette, Ind.

Production and Marketing Statistics-- This project covers a service section which compiles statistics for publication and for the use of the analysts. Statistics are compiled covering all of the major crops. A series of statistical bulletins is being prepared and published which carry comprehensive information on production, consumption, supplies, market receipts, exports, imports, prices, etc., for the various farm products. Similar information is prepared for the Department Yearbook, and other publications.

EMERGENCY FUNDS

Direct Allotments

Projects	Obligated, 1934
Civil Works Projects:	
Collection of statistics on prices farmers pay	$ 8,030

(e) FOREIGN COMPETITION AND DEMAND

Appropriation, 1932	$ 383,380
Appropriation, 1933	356,790
Appropriation, 1934	292,870
Appropriation, 1935	266,875 (a)
Budget Estimate, 1936	278,000
Increase, Budget 1936, compared with Appropriation, 1935	11,125 (b)

(a) Includes $28,600 from allotment of $47,670 carried in Deficiency Appropriation Act, 1934, for the collection and analysis of economic data on agricultural products in connection with reciprocal trade agreements authorized by the Act of June 12, 1934; and $11,685 to cover 5% salary adjustment for 1935 (to 95%), as follows: (1) $5,082 transferred from Bureau of Animal Industry; and (2) $6,603 from fund authorized by Sec. 21(e) of Act of March 28, 1934.

(b) Increase of $11,125 compared with 1935 appropriation is for 5% salary restoration, 1936 (to 100%).

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Foreign Competition and Demand	$191,665	$266,875	$278,000	$ 11,125(1)	- - -
Unobligated:					
Salary reduction impoundments	12,298	- - -	- - -	- - -	- - -
Other legislative impoundments	13,709	- - -	- - -	- - -	- - -
Other amounts unobligated	75,198	- - -	- - -	- - -	- - -
Total appropriation.	292,870	266,875	278,000	(1) + 11,125	

(1) The increase of $11,125 in 1936 is for 5% salary restoration (to 100%).

WORK DONE UNDER THIS APPROPRIATION

Special legislation was enacted by Congress in 1930 providing for the organization of a foreign agricultural service. This act provides for the acquiring of information regarding world competition and demand for agricultural products, and the production, marketing and distribution of said products in foreign countries, and the dissemination of this information throughout the United States for the benefit of the farmers and others. It provides also for investigation of any economic phase of the agricultural industry and for the demonstration of standards for agricultural products in foreign countries, and other matters.

Investigations are being made of foreign governmental activities in respect to marketing schemes and production-control programs. These activities are studied from the viewpoint of their effect on American agriculture and as examples of what other countries are doing to assist their farmers. Representatives of the bureau's Foreign Agricultural Service played an active part in connection with the international wheat agreement signed in London in August 1933.

An allotment of $28,600 has been made to this project from the item carried in the Deficiency Appropriation Act, 1934, for studies of foreign trade in connection with the flexible tariff provisions.

Field studies are being conducted to determine the probable future demands for livestock products, grain, cotton and fruit, and the potential competition which foreign production will offer American products.

The service also gives very valuable assistance to American farmers and shippers by acquainting them with foreign market needs and preferences. Much information on the foreign market situation is released regularly in the publication "Foreign Crops and Markets".

Field offices are maintained in London, Paris, Berlin, Belgrade, Buenos Aires and Shanghai and several commodity specialists are making special investigations in Europe and the Orient.

(f) MARKET INSPECTION OF FARM PRODUCTS

Appropriation, 1932	$ 580,026	
Appropriation, 1933	537,796	
Appropriation, 1934	500,286	
Appropriation, 1935	409,295	(a)
Budget Estimate, 1936	431,203	
Increase, Budget 1936, compared with Appropriation, 1935	21,908	(b)

(a) Includes $19,490 to cover 5% salary adjustment for 1935 (to 95%), as follows: (1) $8,478 transferred from Bureau of Animal Industry; and (2) $11,012 from fund authorized by Sec. 21(e) of Act of March 28, 1934.

(b) Increase of $21,908 compared with 1935 appropriation is for 5% salary restoration, 1936 (to 100%).

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Inspection of Fruits and Vegetables	$228,057	$250,735	$263,828	$ 13,093	- - -
Grading of Canned Fruits and Vegetables	15,657	16,550	17,400	850	- - -
Grading of Dairy and Poultry Products	36,088	31,250	33,190	1,940	- - -
Inspection of Hay, Beans, Soybeans, etc.	23,490	26,940	28,350	1,410	- - -
Grading of Meat	25,862	29,500	31,150	1,650	- - -
Grading of Tobacco ...	46,936	49,940	52,670	2,730	- - -
Grading of Rice	4,036	4,380	4,615	235	- - -
Total, obligations ...	380,126	409,295	431,203	(1)21,908	- - -
Unobligated:					
Salary reduction impoundments	19,072	- - -	- - -	- - -	- - -
Other legislative impoundments	13,309	- - -	- - -	- - -	- - -
Other amounts unobligated	87,779	- - -	- - -	- - -	- - -
Total appropriation ...	500,286	409,295	431,203	(1) + 21,908	

(1) The increase of $21,908 for 1936 is for 5% salary restoration, 1936 (to 100%).

WORK DONE UNDER THIS APPROPRIATION

General. The inspection and grading services of the bureau cover fruits and vegetables (including canned fruits and vegetables), dairy and poultry products, meats, hay, beans, seeds, rice, peanuts, tobacco and other products. This service is permissive in character, the Federal inspector performing the service only at the request of a financially interested party. Certificates are issued which constitute prima facie evidence in the Courts of the United States as to the quality and condition of the shipments inspected. These certificates serve as a basis for trading as well as for the settlement of disputes. Receipts from fees collected amounting to $264,954 were returned to the Federal Treasury during the past year.

Inspection of Fruits and Vegetables-- The work under this project covers the inspection and certification of fresh fruits and vegetables in important receiving markets. A similar inspection service is conducted at shipping points in more than 40 States in cooperation with State agencies.

Shippers use the service extensively in making f.o.b. sales to distant buyers, who demand standardized products. Since the passage of the Perishable Agricultural Commodities Act, the inspection certificates have increased in value on account of being received as prima facie evidence in hearings resulting from complaints filed under that Act. A very large amount of business is done with the railroads which use the Federal certificates as the basis for the settlement of claims.

There has been a great increase in the demand for export certifictes. The inspection service plays an important part in marketing American fruits in foreign markets. The Export Apple and Pear Act, approved June 10, 1933, requires that shipments of apples and pears in export must be accompanied by a certificate showing that the shipment meets the minimum quality requirements established by the Secretary of Agriculture for exportation of these commodities. The inspection service conducted under this item serves to enforce the Act. The French quarantine, which prohibits the entry into France of apples which are infested with San Jose scale makes it necessary for shipping point inspectors to examine two per cent of the fruit in each lot concerned before it can receive the French sanitary certificate issued by the Bureau of Entomology and Plant Quarantine.

During the past year the bureau inspected 318,633 carloads at shipping points in cooperation with the States and 53,185 cars in destination markets where Federal inspectors make inspections on requests from receivers or shippers. This was an increase of 101,841 cars at shipping points over the number last year and of 9,200 cars in destination markets.

The Florida citrus marketing agreement of the A. A. A. required that all cars should be inspected for grade at time of shipment; therefore 46,668 more cars were inspected in Florida than during the previous year. Closely associated was the inspection of a large percentage of the shipments handled by the coastwise boat lines. The boat lines requested this service as a protection against unwarranted claims for transit deterioration.

Branch offices were maintained in the following markets. In addition, inspections were made at shipping points in cooperation with more than 40 States. Albany, N. Y., Atlanta, Ga., Baltimore, Md., Baton Rouge, La., Boise, Idaho, Boston, Mass., Buffalo, N. Y., Chicago, Ill, Cincinnati, Ohio, Cleveland, Ohio, Columbia, S. C., Columbus, Ohio, Denver, Colo., Detroit, Mich., Fargo, N. Dak., Fort Worth, Tex., Great Lakes, Mich., Harlingen, Tex., Harrisburg, Pa., Hartford, Conn., Houston, Tex., Indianapolis, Ind., Jacksonville, Fla., Kansas City, Mo., Los Angeles, Calif., Memphis, Tenn., Milwaukee, Wis., Minneapolis, Minn., Newark, N. J., New Haven, Conn., New Orleans, La., New York, N. Y., Norfolk, Va., Omaha, Nebr., Orlando, Fla., Philadelphia, Pa., Pittsburgh, Pa., Portland, Ore., Providence, R. I., Rochester, N. Y., Sacramento, Calif., Salem, Ore., St. Louis, Mo., Salt Lake City, Utah, San Pedro, Calif., San Diego, Calif., San Francisco, Calif., Seattle, Wash., Springfield, Mass., Tulsa, Okla., Washington, D. C., Wilkes Barre, Pa., Vallejo, Calif., Yakima, Wash.

Grading of Canned Fruits and Vegetables-- The service is of special value to canners who have need of an official determination of quality. It is also used largely by the purchasing agencies of the Government, especially

the Veterans' Administration, and by an increasing number of other State and municipal authorities, and by commercial dealers. This project grades samples from all lots of canned fruits and vegetables stored by public warehousemen licensed under the United States Warehouse Act as a part of the supervision of warehouses licensed under the Act. The statement of grade on Federal warehouse receipts is particularly important, as the warehouse receipts are used extensively as collateral for loans by cooperative associations of canners and others.

During the past year futures trading in canned products was inaugurated on the Commercial Exchange of Philadelphia. The futures contract is predicated upon United States grade C merchandise or better. All deliveries on the futures contract are graded by a Federal canned-foods grader to ascertain whether the terms of the contract relating to grade have been met.

Grading of Dairy and Poultry Products-- This service consists of the grading of dairy and poultry products in terminal markets and at shipping points for class, grade, quality and condition; supervision of the inspection of dressed poultry for condition and wholesomeness at canning establishments; and the inspection of live poultry for crop and health condition (cooperative work in New York City).

The grading services of the bureau were used in the purchase of large quantities of butter and cheese by the A.A.A. and the Federal Surplus Relief Corporation. More than 50,000,000 pounds of butter were graded in New York, Philadelphia, Chicago, Seattle, Portland, and San Francisco in connection with the specifications of the contract under which it was purchased. This butter was cut into prints or rolls, and much of the supervision of the printing operations was handled by the bureau.

More than 6,000,000 pounds of cheese were purchased by the A. A. A., subject to grading by the bureau, to see that it conformed to the specifications, and 3,600,000 pounds were processed in 10 plants into half-pound packages, under the bureau's supervision, for relief distribution.

Branch offices are maintained at Boston, Mass., Chicago, Ill., Duluth, Minn., Los Angeles, Calif., Minneapolis, Minn., New York, N. Y., Philadelphia, Pa., Portland, Ore., San Francisco, Calif., Seattle, Wash., and Washington, D. C.

Inspection of Hay, Beans, Soybeans, etc.-- This project consists of the maintenance of inspection and grading service, and the supervision of licensed inspectors under cooperative agreements with State and other agencies. The service includes the verification of dealers' records on seed in order that certificates may be issued showing the State of origin. This service makes it possible for farmers to obtain seed which is adapted to their section of the country. Inspection work on beans, soybeans and dry peas has grown rapidly and a large quantity of soybeans are inspected for export.

Branch offices are maintained at Atlanta, Ga., Chicago, Ill., Denver, Colo., Kansas City, Mo., Los Angeles, Calif., Minneapolis, Minn., Portland, Ore., and San Francisco, Calif.

Grading of Meats-- The meat grading service is available to commercial interests and to purchasing officers for Federal, State and city institutions at points where graders are maintained. In addition, a specialized type of service is rendered at slaughtering and packing establishments by which beef and lamb carcasses are graded and stamped with a roller stamp in such a way that the grade appears on the retail cuts.

Through this service National standards for various classes of meats are being developed. The use of these standards as a basis for buying and selling is increasing. Contracts by Federal, State and municipal institutions are being awarded on the basis of Federal grades. The service prevents the possibility of substitution and insures a reasonably high degree of uniformity in meat purchases. Comparatively few people are familiar with standards of quality for meats. The grade stamp on the meat is therefore of value to consumers because it insures delivery of meats of a definite quality. There is a growing demand for graded products both by large purchasing agencies and consumers.

Branch offices are maintained at Buffalo, N. Y., Boston, Mass., Chicago, Ill., Detroit, Mich., Kansas City, Mo., National Stock Yards, Ill., New York, N. Y., Omaha, Nebr., Philadelphia, Pa., San Francisco, Calif., Seattle, Wash., Sioux City, Ia., Washington, D. C., Wichita, Kans.

Grading of Tobacco-- In cooperation with State agencies the bureau continued its grading or inspection service for farmers, giving farmers definite information as to the quality of tobacco being offered for sale. The volume of tobacco inspected was 197,952,235 pounds, an increase of approximately 70 million pounds. The service was expanded to supply the A. A. A. with basic information on market prices according to grade, needed in connection with its marketing agreements with manufacturers, and to effectuate a marketing agreement entered into by the growers of shade-grown cigar-wrapped tobacco approved by the Secretary of Agriculture. Service was inaugurated in Maryland, in cooperation with the State Agricultural college, the State board of agriculture, and the chief tobacco inspector at Baltimore, under provisions of a State mandatory inspection act. The entire crop of Virginia fire-cured tobacco, type 21, for 1933, was graded in cooperation with the Virginia Division of Markets under a mandatory grading law enacted in the State.

Grading of Rice-- This work is conducted under joint agreements between this bureau and State Departments of Agriculture in California, Texas and Louisiana, and commercial interests in Arkansas, and covers rough, brown, and milled rice. Under these agreements the initial inspections are made by State officials under the supervision of the bureau. Appeals from initial inspections are handled by the bureau direct.

Rice inspection service was increased materially, especially in Louisiana, Texas, and Arkansas. A total of 29,868 rice-inspection certificates were issued (26,222 in Southern States and 3,646 in California), representing an increase of 20,483 inspections over the previous year.

(g) MARKET NEWS SERVICE

Appropriation, 1932	$ 1,498,020
Appropriation, 1933	1,380,808
Appropriation, 1934	1,300,000
Appropriation, 1935	1,039,393 (a)
Budget Estimate, 1936	1,076,492
Increase, Budget 1936, compared with Appropriation, 1935	37,099 (b)

(a) Includes $36,525 to cover 5% salary adjustment for 1935 (to 95%), as follows: (1) $15,888 transferred from Bureau of Animal Industry; and (2) $20,637 from fund authorized by Sec. 21(c) of Act of March 28, 1934.

(b) Increase of $37,099 compared with 1935 appropriation is for salary restoration, 1936 (to 100%).

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Market Reports on Livestock, Meats, Wool	$ 349,494	$ 405,889	$ 421,389	$ 15,500	- - -
Market News Service on Fruits & Vegetables .	359,491	413,043	427,673	14,630	- - -
Market News Service on Dairy and Poultry Products.....	114,141	135,238	139,138	3,900	- - -
Market News Service on Grain, Hay, Feed and Seed	59,646	71,378	73,857	2,479	- - -
Market News Service on Tobacco	14,186	13,845	14,435	590	- - -
Total obligations ...	896,958	1,039,393	1,076,492	(1)37,099	- - -
Unobligated:					
Salary reduction impoundments	27,225	- - -	- - -	- - -	- - -
Other legislative impoundments	40,127	- - -	- - -	- - -	- - -
Other amounts unobligated	335,690	- - -	- - -	- - -	- - -
Total appropriation ...	1,300,000	1,039,393	1,076,492	(1) + 37,099	

(1) The increase of $37,099 for 1936 is for 5% salary restoration (to 100%).

WORK DONE UNDER THIS APPROPRIATION

General. The market news service is built largely upon information gathered by the bureau's representatives in large central markets. Offices in the large terminal markets must be maintained in order to gather the information to be distributed to the shipping districts. These markets are connected with leased telegraph wires. The bureau obtains under contract the exclusive use of certain telegraph wires throughout the day, and employs its own telegraphers who transmit the market information over the wires in code and decode the incoming messages. The market reporters cover the principal markets and report receipts and prices. The information goes over the leased wire to Washington and to other branch offices where it is combined with other reports and released to the public. In addition, telegraph and mail reports are furnished the bureau by common carriers and other reporters, and information with regard to supply and demand conditions in foreign countries is made available through the foreign service of the bureau. This market information is given publicity throughout the country, especially in important producing districts, by telephone, telegraph, radio, mail, bulletin boards, newspapers and other means.

Emergency activities in agriculture have stimulated an increased and widespread demand for different types of information based on the market news services. The result has been an unprecedented demand for all types of data, not only for recent years but for earlier years, on which to make comparisons.

Market News Service on Livestock, Meats and Wool-- The methods of market reporting on livestock, meats, and wool, and of newsdissemination have been standardized so that all markets in which branch offices are maintained are handled in the same way. The information on one market is comparable with that on another. This service places spot facts on supply, demand, movement, prices, and related information immediately within the reach of the persons who must have these facts. The radio, telegraph, and daily press have cooperated to an unusual extent in disseminating the market facts submitted by this service. Through this service the producer is now in a much better position to market his livestock advantageously.

Branch office are maintained at Baltimore, Md., Boston, Mass., Buffalo, N. Y., Casper, Wyo., Chicago, Ill., Cincinnati, Ohio, Denver, Colo., Des Moines, Ia., Fort Worth, Tex., Indianapolis, Ind., Kansas City, Mo., Los Angeles, Calif., Louisville, Ky., Nashville, Tenn., National Stock Yards, Ill., New York, N. Y., Ogden, Utah, Omaha, Nebr., Philadelphia, Pa., Pittsburgh, Pa., Portland, Ore., St. Joseph, Mo., St. Paul, Minn., San Francisco, Calif., Sioux City, Ia., and Wichita, Kans.

Market News Service on Fruits and Vegetables-- This project gathers and disseminates daily information relative to receipts, unloads, market prices, and demand for fruits and vegetables in the principal markets and shipping sections of the country, also reports from the common carriers on carlot shipments, diversions and passings. The information helps to bring about more orderly marketing of these products, eliminates waste and loss by

keeping shippers informed of market demands and helps to bring more equitable returns to growers. Reports are prepared summarizing the marketing of individual crops in producing sections from which daily market information has been released; and special reports showing unloads of fruits and vegetables in a large number of markets are issued as well as various reviews and summaries relative to the marketing of these commodities.

Branch offices are maintained at Atlanta, Ga., Baltimore, Md., Boston, Mass., Chicago, Ill., Cincinnati, Ohio, Cleveland, Ohio, Denver, Colo., Detroit, Mich., Fort Worth, Tex., Jacksonville, Fla., Kansas City, Mo., Los Angeles, Calif., Minneapolis, Minn., New Orleans, La., New York, N.Y., Philadelphia, Pa., Pittsburgh, Pa., Portland, Ore., St. Louis, Mo., San Antonio, Tex., San Francisco, Calif., Seattle, Wash. and Waupaca, Wis. In addition, many branch offices are operated for short periods during the heavy movement of important crops and information is furnished to State offices for dissemination.

Market News Service on Dairy and Poultry Products-- This project covers current market information on production, manufactures, shipment, receipts, movement, prices, etc., on various classes of dairy and poultry products. This information has been of great service to the various emergency agencies of the Government, particularly the A.A.A. in shaping its policies and determining its program with respect to the purchase of butter and cheese. Contracts based on current prices have specified that prices reported by the Bureau of Agricultural Economics should be used as the basis of payment. This information is of fundamental importance to the dairy and poultry industries.

Branch offices are maintained at Boston, Mass., Chicago, Ill., Los Angeles, Calif., New York, N. Y., Philadelphia, Pa., Portland, Ore., and San Francisco, Calif.

Market News Service on Grain, Hay, Feed and Seed-- This project furnishes to growers, country dealers and others authentic comprehensive information relative to market developments, supply and demand conditions, and other factors influencing prices or the market situation for these commodities. The service is National in scope, and the information collected from all available sources is analyzed and incorporated in market reviews which are issued at regular intervals and distributed to growers and other agricultural interests. This service was of great help during the drought situation, particularly in furnishing information on sources of seed supplies.

Branch offices are maintained at Atlanta, Ga., Chicago, Ill., Kansas City, Mo., Los Angeles, Calif., Minneapolis, Minn., Portland, Ore., and San Francisco, Calif.

Market News Service on Tobacco-- This project is carried on through the Washington office and temporary field offices located at markets in tobacco growing districts. The market news reports are issued for each marketing day supplemented by a weekly summary, and contain average prices on each grade of tobacco of which a sufficient volume of sales occurs to afford reliable averages. Reports are mimeographed and supplied to the growers and the trade for current use and to dealers, manufacturers and others interested. Daily reports are furnished to the press. The service is particularly useful to growers whose tobacco is sold at auction. By comparing prices received with the current average

for the same grade of tobacco, they are furnished a basis for accepting the sale or exercising their privilege of rejection. This service is closely associated with the inspection service on tobacco.

Temporary branch offices are maintained during the marketing season at Raleigh, N. C., Lynchburg, Va., Lexington, Ky., and Clarksville, Tenn.

(h) COTTON GRADE AND STAPLE STATISTICS

Appropriation, 1932	$ 420,000
Appropriation, 1933	372,500
Appropriation, 1934	350,000

Appropriation, 1935	215,882 (a)
Budget Estimate, 1936	224,517
Increase, Budget 1936, compared with Appropriation, 1935	8,635 (b)

(a) Includes $8,708 to cover 5% salary adjustment for 1935 (to 95%) as follows: (1) $3,788 transferred from Bureau of Animal Industry; and (2) $4,920 from fund authorized by Section 21(e) of Act of March 28, 1934.

(b) Increase of $8,635 compared with 1935 appropriation is for 5% salary restoration, 1936 (to 100%).

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Cotton Grade and Staple Statistics..	$205,234	$215,882	$224,517	$8,635 (1)	- - -
Unobligated:					
Salary reduction impoundments	9,123	- - -	- - -	- - -	- - -
Other legislative impoundments.....	4,927	- - -	- - -	- - -	- - -
Other amounts unobligated.....	130,716	- - -	- - -	- - -	- - -
Total appropriation..	350,000	215,882	224,517	(1) +8,635	

(1) The increase of $8,635 is for 5% salary restoration, 1936 (to 100%).

WORK DONE UNDER THIS APPROPRIATION

The work under this appropriation is required by the Act approved March 3, 1927. The project gathers information and prepares estimates periodically concerning the grade and staple of cotton ginned at stated intervals from the crop, the number of bales of each grade and staple carried over from one season to another, and the grade and staple of cotton consumed by domestic mills. Five National reports and five reports for each of the 16 important cotton producing States, besides individual gin reports and a variety of special reports, are regularly issued during the ginning season. The carry-over and consumption reports are issued on a National basis once annually.

The grade and staple reports have met an imperative need for information on the quality of the cotton crop. It appears evident, too, that these reports have contributed to the movement to bring about improvement in the grade and staple length of cotton produced. To further encourage the use of this information, the Bureau began by supplying at the end of each season to each cooperating ginner a summarized statement of the grades and staples ginned by him during the season. In 1932, in response to ginners' and growers' requests for more detailed information, this service was further developed by sending to the gins, as soon as the samples were classed, copies of classification sheets on which the periodical reports are based, but without identification of the bales to which the data applied. This service covered more than 840,000 bales.

It was then urged by cotton producers that the service would be more useful to growers if numbers identifying each individual bale classed could be furnished along with the grade and staple information. At the beginning of the 1933-34 season, through a cooperative arrangement with the ginners, each ginner agreed to furnish samples without cost other than transportation, and the Bureau agreed to furnish the desired information regarding each bale. More than 740,000 samples were classed, and growers were notified of the class of each bale through the cooperating ginners.

Branch offices are maintained at Atlanta, Ga., Dallas, Texas, El Paso, Texas, Austin, Texas, and Memphis, Tenn.

(i) TOBACCO STOCKS AND STANDARDS

Appropriation, 1932	$ 25,000
Appropriation, 1933	24,400
Appropriation, 1934	23,200
Appropriation, 1935	16,475 (a)
Budget Estimate, 1936	17,187
Increase, Budget 1936, compared with Appropriation, 1935	712 (b)

(a) Includes $670 to cover 5% salary adjustment for 1935 (to 95%), as follows: (1) $292 transferred from Bureau of Animal Industry; and (2) $378 from fund authorized by Sec. 21(c) of Act of March 28, 1934.

(b) Increase of $712 compared with 1935 appropriation is for 5% salary restoration, 1936 (to 100%).

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Tobacco Stocks and Standards	$15,048	$16,475	$17,187	$ 712(1)	- - -
Unobligated:					
Salary reduction impoundments	557	- - -	- - -	- - -	- - -
Other amounts unobligated	7,595	- - -	- - -	- - -	- - -
Total appropriation..	23,200	16,475	17,187	+712(1)	

(1) The increase of $712 is for salary restoration, 1936 (to 100%).

WORK DONE UNDER THIS APPROPRIATION

The work under this appropriation consists of the compilation and publication of quarterly reports covering the quantities of leaf tobacco in the hands of dealers and manufacturers separated as to type and as to certain divisions within the types. They are published as of the first day of January, April, July and October, and represent the comparison of statistics of supplies held by dealers and manufacturers, the submission of which is mandatory. This work is provided for by Act approved January 14, 1929 (U.S. Code, Supp. VII, title 7, Secs. 501-508).

Tobacco stocks have an important bearing on prices paid to growers for new stock tobacco, and an accurate and detailed analysis of such stock is essential to protection of the growers' interests. The reports form the basis of studies relating to the prospective market position of different types of tobacco, conducted on behalf of growers by State and

Federal agencies. Trade journals give their reports prominence in their publications and they are of especial value to the A. A. A.

Tobacco standardization work is being conducted under this project, including the maintenance of the tobacco laboratory which is used in the development of standards and the preparation of samples to demonstrate the standards. Research work which is necessary in connection with the development of uniform standards for tobacco is also conducted under this project.

(j) PERISHABLE AGRICULTURAL COMMODITIES ACT

Appropriation, 1932	$ 350,000
Appropriation, 1933	175,100
Appropriation, 1934	165,000
Appropriation, 1935	125,890 (a)
Budget Estimate, 1936	131,466
Increase, Budget 1936, compared with Appropriation, 1935	5,576 (b)

(a) Includes $5,163 to cover 5% salary adjustment for 1935 (to 95%), as follows: (1) $2,246 transferred from Bureau of Animal Industry; and (2) $2,917 from fund authorized by Sec. 21(c) of Act of March 28, 1934.

(b) Increase of $5,576 compared with 1935 appropriation is for salary restoration, 1936 (to 100%).

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Perishable Agricultural Commodities Act	$117,648	$125,890	$131,466	$ 5,576(1)	- - -
Unobligated:					
Salary reduction impoundments	5,006	- - -	- - -	- - -	- - -
Other legislative impoundments	6,824	- - -	- - -	- - -	- - -
Other amounts unobligated.....	35,522	- - -	- - -	- - -	- - -
Total appropriation .	165,000	125,890	131,466	(1) + 5,576	

(1) The increase of $5,576 is for 5% salary restoration, 1936 (to 100%).

WORK DONE UNDER THIS APPROPRIATION

The work under this project consists of the administration of the provisions of the Act, approved June 10, 1930 (U.S.C. Supp. VII, title 7, secs. 551-568) to suppress unfair and fraudulent practices in the marketing of fresh fruits and fresh vegetables in interstate and foreign commerce. This Act requires the licensing of all commission merchants, dealers and brokers, with a few exceptions, and gives the Secretary authority to award reparations and to suspend or revoke the licenses of those who are found to have engaged in certain specified unfair and fraudulent practices in the marketing of these commodities. License fees of $10,00 per annum are charged, and the receipts have exceeded the expenditures each year. Fees collected during the past year amounted to $143,725. There were 15,580 licenses in effect at the end of the past fiscal year as compared to 14,347 at the beginning of the year. A total of 2,522 complaints were filed during the year.

Fifteen amendments to this act, which greatly strengthen it, became effective on April 13, 1934. These changes broaden the act to include any fraudulent statement in connection with a transaction, direct the Secretary to refuse to issue licenses under certain conditions, authorize the Secretary to revoke the license of a firm which employs one whose license has been revoked, authorize the Secretary to withhold issuance of a license if he believes that the application contains false statements, and to revoke a license if he finds it was obtained through a false statement. They provide for the decision of complaints without formal hearing where the amount of damages does not exceed $500, and permit suit on reparation orders to be brought in the United States district court of the district in which the complainant lives, providing for appeal from Secretary's orders to the United States district court and for the automatic suspension of a license pending failure of a licensee to pay a reparation order or take an appeal within the period described.

(k) ENFORCEMENT OF THE U. S. COTTON FUTURES AND THE U. S. COTTON STANDARDS ACTS.

Appropriation, 1932	$ 496,469 (a)
Appropriation, 1933	452,569 (b)
Appropriation, 1934	390,163 (c)
Appropriation, 1935	401,477 (d)
Budget Estimate, 1936	477,111
Increase, Budget 1936, compared with Appropriation, 1935	75,634 (e)

(a) Includes $75,000 available in 1932 from Second Deficiency Act, 1931, and $184,909 from revolving funds.

(b) Includes $163,509 from revolving funds.

(c) Includes $122,163 from revolving funds.

(d) Includes $164,490 from revolving funds; and $10,798 to cover 5% salary adjustment for 1935 (to 95%) as follows: (1) $4,697 transferred from Bureau of Animal Industry; and (2) $6,101 from fund authorized by Sec. 21(c) of Act of March 28, 1934.

(e) Increase of $75,634 compared with 1935 appropriation consists of -

5% salary restoration, 1936 (to 100%)	$16,124
Increase in working funds	+ 59,510
	+ $75,634

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Administration of the Acts	$ 12,205	$ 12,766	$ 13,282	$ 516	- - -
Futures and Spot Market Investigations and Cotton Price Quotations...	32,819	35,376	36,983	1,607	- - -
Preparation and Distributions of Official Cotton Standards	113,093	121,682	126,034	4,352	- - -
Supervision of Cotton Classing	61,656	67,163	69,887	2,724	- - -
Expenses, Cotton Standards Act	19,720	34,490	80,000	1,000	+44,510(2)
Classification of Cotton (Cotton Futures Act)	102,443	130,000	150,925	5,925	+15,000(3)
Total obligations ...	341,936	401,477	477,111	(1)16,124	+ 59,510
Unobligated:					
Salary reduction impoundments	9,675	- - -	- - -	- - -	- - -
Other legislative impoundments	17,423	- - -	- - -	- - -	- - -
Other amounts unobligated	21,129	- - -	- - -	- - -	- - -
Total appropriation .	390,163	401,477	477,111	+75,634	

The increase of $75,634 for 1936 includes:

(1) An increase of $16,124 for 5% salary restoration, 1936 (to 100%).

(2) An increase of $44,510 for the project "Expenses Cotton Standards Act," for the purpose of meeting the greatly increased demand for the classing of spot cotton and for the purchase of additional cotton for making up the sets of standards.

No appropriation is carried in the 1935 Appropriation Act for this project since it has heretofore been financed from fees collected for services. Since the "Permanent Appropriation Repeal Act, 1934," approved June 26, 1934, abolished this special fund, it is being shown in the 1936 budget under the regular appropriation for the Enforcement of the U. S. Cotton Futures Act and U. S. Cotton Standards Act.

It should be noted that while the apportionment for 1935 under this project is $34,490, it will undoubtedly be necessary to ask for an increased allotment from accumulated receipts in the Treasury during the current year if the present demand for service continues. The expenditures under this project have been as high as $83,000 per annum. The receipts have varied from $31,027 to $92,614, in recent years. It is expected that the bureau will be required to classify 250,000 bales of cotton or more intended for delivery to the Federal Surplus Relief Corporation before the close of the current year. It cannot be foreseen what demands may be made upon the service during the coming year but there are reasons to believe that the demand for service will be large.

(3) An increase of $15,000 in the project "Classification of Cotton (Cotton Futures Act)." The work under this project has been financed under a revolving fund and no appropriation has been made in the past. While an amount of only $130,000 has been apportioned from the fund for the current year, the amounts expended have varied greatly from year to year, reaching a high point of $259,029 in 1931. The receipts have varied from $19,921 to $418,912, in recent years. It is believed that an estimate of $150,925 for 1936 is conservative in the light of past experience.

WORK DONE UNDER THIS APPROPRIATION

The cotton Futures Act charges the Department with the duty of establishing standards for the qualities of cotton; determining the grade and staple of cotton delivered in settlement of futures contracts; supervising the quotations of commercial differences in spot markets designated under the Act, and disseminating information as to market prices and conditions. This Act was approved August 11, 1916, and amended March 4, 1919 (U.S.C., title 26, secs. 731-752).

The Cotton Standards Act requires the use of the official cotton standards in all interstate and foreign commerce transactions involving American cotton shipped by grade. It gives owners or holders of cotton the privilege of submitting cotton to representatives of the Department for classing, and authorizes the Secretary to examine and license cotton classers. In the administration of the legislation, agreements have been negotiated with the

principal foreign cotton trade associations providing for the world-wide use of the cotton standards. This Act was approved March 4, 1923 (U.S.C., title 7, Secs. 51-65).

Administration. This project covers the planning and general supervision of all of the activities under both the Cotton Futures and Cotton Standards Act.

Future and Spot Market Investigation and Cotton Price Quotations. Prices on grades of cotton above and below middling and on staples longer than 7/8 of an inch as quoted in ten principal spot markets of the United States designated for the purpose by the Secretary of Agriculture are required, under the U. S. Cotton Futures Act, to be used in the settlement of futures contracts whenever settlement is effected by delivery of cotton. The proper functioning of the cotton futures market necessitates that the price quotations of the designated spot markets shall reflect values of spot cotton of various grades and staples as indicated by actual sales. Active supervision of quotations in the spot markets, therefore, is essential. Information is disseminated widely among producers concerning the value of cotton of the different qualities.

Preparation and Distribution of Official Cotton Standards. The official standards are prepared and promulgated under the authority of both Acts. Copies of the standards are sold to the public. Inasmuch as the law makes the use of these standards mandatory in interstate and foreign commerce and prohibits the duplicating of the standards or the use of private types in evasion of or substitution for the standards, domestic and world commerce in American cotton is made dependent upon the prompt and proper performance of this work. Constant work is required in connection with the checking and replacement of standards, and in considering proposed changes or modifications.

Supervision of Cotton Classing. The classing of spot cotton in the field is supervised by the Board of Cotton Examiners with headquarters at Memphis, Tenn. An important feature of this work is the supervision of licensed cotton classers, who number more than 200 and are stationed throughout the South. The cooperative cotton marketing associations rely upon the licensed classers and upon the supervision of their work in establishing the classification upon which settlements with their members are based. An amendment passed by the last Congress provides that the Secretary of Agriculture shall extend to cotton growers additional facilities for the classification of cotton, and every effort is being made to meet these demands.

Expenses, Cotton Standards Act. Under the Cotton Standards Act any person who has a financial interest in any cotton may submit a sample of the same to the Department for classification, and the various boards of cotton examiners are authorized to perform this service in addition to classification under the Cotton Futures Act. Under this project, classers are examined and licensed to classify cotton.

Classification of Cotton, (Cotton Futures Act.). An amendment to the Cotton Futures Act, dated March 4, 1919, provides that all cotton intended for delivery on future contracts shall be classified by the officers of the Department of Agriculture. Boards of Cotton Examiners are maintained in New

York, New Orleans, Houston and Galveston, and also at Norfolk, Charleston, Savannah and Mobile, part of the time for southern deliveries on New York contracts.

Branch offices are maintained at Atlanta, Ga., Charleston, S. C., Galveston, Tex., Houston, Tex., Memphis, Tenn., Mobile, Ala., New Orleans, La., New York, N.Y., Norfolk, Va., and Savannah, Ga.

(1) U. S. GRAIN STANDARDS ACT

Appropriation, 1932	$ 860,040
Appropriation, 1933	833,370
Appropriation, 1934	765,000
Appropriation, 1935	676,617 (a)
Budget Estimate, 1936	708,941
Increase, Budget 1936, compared with Appropriation, 1935	32,324 (b)

(a) Included $32,220 to cover 5% salary adjustment for 1935 (to 95%), as follows: (1) $14,016 transferred from Bureau of Animal Industry; and (2) $18,204 from fund authorized by Section 21 (e) of Act of March 28, 1934.

(b) Increase of $32,324 compared with 1935 appropriation is for salary restoration, 1936 (to 100%)

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Administration of the Act.....	$585,024	$630,617	$660,991	$ 30,374	- - -
Inspection Efficiency	14,366	18,200	19,050	850	- - -
Board of Review.....	25,840	27,800	28,900	1,100	- - -
Total obligations....	625,230	676,617	708,941	(1)32,324	- - -
Unobligated:					
Salary reduction impoundments.....	29,401	- - -	- - -	- - -	- - -
Other legislative impoundments	11,073	- - -	- - -	- - -	- - -
Other amounts unobligated.....	99,296	- - -	- - -	- - -	- - -
Total appropriation..	765,000	676,617	708,941	+ 32,324(1)	

(1) The increase of $32,324 is for 5% salary restoration, 1936 (to 100%).

WORK DONE UNDER THIS APPROPRIATION

The United States Grain Standards Act, passed in 1916, (U.S.C., title 7, Secs. 71-87) authorized the establishment of uniform grain standards and inspection in the domestic and export grain commerce of the United States. It required that all grain for which standards have been established, which is sold, offered for sale, or consigned for sale, by grade, and shipped or delivered for shipment in interstate or foreign commerce, from or to an inspection point, should be inspected, graded, and certificated under the official United States standards.

As a result of the conclusion of a 4-year study and review of the grain standards, conducted with the cooperation of the several branches of the industry and of a number of the State agricultural colleges, the grain standards were revised during the past year to meet changed conditions. The principal purpose was to bring the standards into close conformity with modern conditions of grain production, merchandising, storage, and processing, thus improving the intermarket uniformity of grain grading.

Administration of the Act. Official standards have been promulgated for shelled corn, wheat, oats, rye, grain sorghums, feed oats, mixed feed oats and barley. These standards are in general use throughout the United States and in export commerce and must be used when grain is shipped by grade in interstate commerce. They form the basis of transactions in the various steps from the producer to the consumer. These steps include the country elevator, the interior market, the terminal market and the distribution to consuming industries in this country as well as to seaboard markets for export. The standards are employed in both cash and future transactions. They are likewise of importance to grain elevator and warehouse operators, to banking institutions, and to rail and water transportation agencies. Since the grain industry is highly competitive it is very necessary that the inspection service should be efficient and dependable. Grain inspectors and grain supervisors stand as impartial and unbiased arbiters between sellers and buyers and the use of this service has been so well established that it forms a basic feature of the highly organized merchandising practices in both domestic and export commerce.

Inspection Efficiency. This project covers the work of maintaining correct and uniform application of the standards by licensed inspectors at all markets throughout the United States. Tendencies on the part of inspectors which depart from uniform application of the standards must be noted and immediately corrected if all branches of the trade are to be afforded the same competitive basis from the standpoint of grades. Uniformity of application on shipments which move from one inspection point to another presents a most difficult task requiring constant attention from supervisory officials.

Board of Review. The Board of Review which is located in Chicago is composed of a group of experts having years of experience in grain inspection and grading. This board interprets the standards, develops correct methods of application, and disseminates information through the supervisors to the licensed inspectors throughout the country. Certain factors of the standards are applied by mechanical apparatus whereas others involve the human element in the exercise of judgment and discretion. This board is constantly

engaged in reviewing samples submitted from all sections of the country and giving its interpretative opinions. New problems from a grading standpoint are constantly arising and this board is the agency which makes the final decisions. In addition it functions as a board of appeals in the case of inspections performed by licensed inspectors, appealed to district supervisors, and thereafter carried to board appeal.

Receipts amounting to $56,900 were returned to the Federal Treasury under the grain Standards Act during the past fiscal year.

Branch offices are maintained in Albany, N. Y., Baltimore, Md., Boston, Mass., Buffalo, N. Y., Cairo, Ill., Cedar Rapids, Iowa, Chicago, Ill., (Field and District Headquarters), Cincinnati, Ohio, Denver, Colo., Duluth, Minn., Enid, Okla., Fort Worth, Tex., Galveston, Tex., Great Falls, Mont., Hoboken, N. J., (Substation), Hutchinson, Kans., Indianapolis, Ind., Kansas City, Mo., Los Angeles, Calif., Louisville, Ky., Memphis, Tenn., Milwaukee, Wis., Minneapolis, Minn., Nashville, Tenn., New Orleans, La., New York City, N. Y., Ogden, Utah, Oklahoma City, Okla., Omaha, Nebr., Peoria, Ill., Philadelphia, Pa., Portland, Oreg., (Field and District Headquarters), St. Joseph, Mo., St. Louis, Mo., San Francisco, Calif., Seattle, Wash., Sioux City, Iowa, South Chicago, Ill. (Substation), Spokane, Wash, Tacoma, Wash., Toledo, Ohio, Vancouver, Wash., and Wichita, Kans.

(m) ADMINISTRATION OF THE U. S. WAREHOUSE ACT.

Appropriation, 1932	$ 312,200	
Appropriation, 1933	313,020	
Appropriation, 1934	296,220	
Appropriation, 1935	281,230	(a)
Budget Estimate, 1936	316,665	
Increase, Budget 1936, compared with Appropriation, 1935	35,435	(b)

(a) Includes $9,847 to cover 5% salary adjustment for 1935 (to 95%), as follows: (1) $4,283 transferred from Bureau of Animal Industry; and (2) $5,564 from fund authorized by Sec. 21(e) of Act of March 28, 1934.

(b) Increase of $35,435 compared with 1935 appropriation consists of -

5% salary restoration, 1936 (to 100%).....	+ $10,435
Increase in working funds for 1936.....	+ 25,000
	+ 35,435

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease 5% Salary Restoration	Increase or decrease Working Funds
Obligated:					
Administration U. S. Warehouse Act.....	$249,381	$281,230	$316,665	(1)$10,435	$25,000(2)
Unobligated:					
Salary reduction impoundments	8,882	- - -	- - -	- - -	- - -
Other legislative impoundments.....	6,792	- - -	- - -	- - -	- - -
Other amount unobligated.....	31,165	- - -	- - -	- - -	- - -
Total appropriation..	296,220	281,230	316,665	(1) +35,435	

The increase of $35,435 for 1936 includes:

(1) An increase of $10,435 for 5% salary restoration, 1936 (to 100%).

(2) An increase of $25,000 for expansion of licensing and inspection work to meet emergency situation.

The demand for licenses from the Secretary of Agriculture under the Warehouse Act has become acute. The RFC and other Government lending agencies are more and more requesting that warehousing corporations shall be licensed before granting loans.

Throughout the cotton producing area additional help is needed in order to take care of the requests for licenses. The fact that the cotton crop is smaller during the current year has not reduced the demands upon this Act. Every day additional space is being licensed. Today we have the greatest amount of licensed cotton storage capacity since the passage of the Act.

Under present financial conditions warehousemen are finding it necessary to obtain Federal licenses in order that growers, cooperative associations and other owners of agricultural commodities may obtain credit. The number of licensed warehouses has increased from 970 to about 1015 during the past year, adding a very large amount of additional space to be inspected. Because of lack of personnel it has been necessary during the past year to refuse to accept more applications, since it is not possible to give proper supervision to any larger number. The Department also has had to decline to place a number of products on the eligible list for storage under the Act. It is also necessary to refuse to accept applications from warehouses storing products already on the

eligible list. About 50 applications from grain elevators in the Middle West have recently been refused. The Iowa Grain Dealers' Association has made strong pleas for licenses and have cited losses sustained. An application to license a plant in North Dakota with a capacity of over 1,250,000 bushels has been refused on account of lack of personnel. The Department has been under severe pressure with respect to this activity and failure to provide relief for the situation in 1936 will subject the Government to severe criticism and dissatisfaction. The failure of the Warehouse Act to function with full effectiveness is damaging to the recovery program since it blocks the efforts of agricultural interests to obtain needed credit.

Before the Warehouse Act began to play an important part, the warehousing of farm products was an unstable business. Bankers were afraid of the warehouse receipts and generally did not accept them unless they knew the borrowers. Consequently, warehouse receipts were restricted in use to the locality in which warehouses were located. Under the Federal administration of the Act, however, full confidence has been built up and the Federally licensed warehouse receipts are a very important part in the collateral upon which loans are made. Since the work under this Act has become a fundamental part of the marketing and credit machinery of the country it is imperative that adequate funds be made available for its administration.

WORK DONE UNDER THIS APPROPRIATION

Investigational work is conducted to determine whether a product can properly be warehoused under the Warehouse Act, approved August 11, 1916 (U.S.C. title 7, Secs. 241-273). Regulations are then prepared covering the conditions under which it may be stored. When an application is received for a license, investigations are made to ascertain whether the warehouse is a suitable structure and has the necessary facilities, whether the warehouseman is of good repute, and has the proper financial responsibility, experience, etc. After the license is issued the warehouse is inspected regularly in order to make certain that the law and regulations are being complied with and that the interests of the patrons are being safeguarded.

Warehouses are now licensed for the storage of cotton, grain, wool, tobacco, peanuts, broomcorn, beans, potatoes, sirup, dried fruits, canned foods, cottonseed, cold pack fruits, seeds, and cherries in brine.

Receipts amounting to $14,779 were returned to the Federal Treasury from the fees collected under the Warehouse Act during the past year.

Branch offices are maintained in Atlanta, Ga., Dallas, Tex., Indianapolis, Ind., Memphis, Tenn., New Orleans, La., Omaha, Nebr., Portland, Ore., Raleigh, N. C., and Wichita, Kans.

(n) ENFORCEMENT OF THE STANDARD CONTAINER, HAMPER, AND PRODUCE AGENCY ACTS.

Appropriation, 1932	$ 45,000
Appropriation, 1933	43,800
Appropriation, 1934	34,120
Appropriation, 1935	29,035 (a)
Budget Estimate, 1936	30,238
Increase, Budget 1936, compared with Appropriation, 1935	1,203 (b)

(a) Includes $1,174 for 5% salary adjustment (to 95%), which amount was absorbed by the appropriation, without increase.

(b) Increase of $1,203 compared with 1935 appropriation is for 5% salary restoration, 1936 (to 100%).

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Enf. of the Standard Container Act.....	$15,766	$20,305	$21,138	$ 833	- - -
Enf. of the Produce Agency Act.....	7,510	8,730	9,100	370	- - -
Total, obligations...	23,276	29,035	30,238	(1)1,203	- - -
Unobligated:					
Salary reduction impoundment.....	1,023	- - -	- - -	- - -	- - -
Other legislative impoundments.....	360	- - -	- - -	- - -	- - -
Other amount unobligated.....	9,461	- - -	- - -	- - -	- - -
Total appropriation..	34,120	29,035	30,238	+ 1,203(1)	

(1) The increase of $1,203 is for 5% salary restoration, 1936 (to 100%).

WORK DONE UNDER THIS APPROPRIATION

Three Acts are administered under this appropriation, i. e., the Standard Container Act of 1916, the Standard Container Act of 1928 (Hamper Act) and the Produce Agency Act.

Standard Container Acts of 1916 and 1928-- The work under this project consists of the administration of the provisions of the two standard container acts. These Acts fix the sizes for Climax baskets,

containers for small fruits and vegetables, standard hampers, round stave and splint baskets. The enforcement of these Acts involves the testing of samples of these containers in order to determine whether they comply with prescribed standards, the collection of evidence, and the preparation, for submission to the Department of Justice, of cases against those who fail to comply with the provisions of the Act. The Standard Container Act of 1916 was amended by the last Congress so as to provide for a 1-pound Climax basket for mushrooms. (Acts of August 31, 1916, U.S. Code, title 15, Secs. 251-256; May 21, 1928, U.S. Code, Supp. VII, title 15, secs. 257-257i; and March 26, 1934, 48 Stat. p. 495.)

Enforcement of the Produce Agency Act-- The work under this project consists of the administration of provisions of the Act entitled "An Act to prevent the destruction or dumping, without good and sufficient cause therefor, of farm produce received in interstate commerce by commission merchants and others and to require them truly and correctly to account for all farm produce received by them." This is a criminal statute which applies only to commission merchants. (Act of March 3, 1927, U.S.C. Supp. VII, title 7, secs. 491-497).

The cases filed under this Act relate principally to fraudulent accounting in consignment transactions in fruits and vegetables, eggs and dressed poultry. Convictions in Federal courts were obtained in 13 cases. Violations of this Act are also violations of the Perishable Agricultural Commodities Act and are handled under the latter Act, except in cases requiring criminal prosecution.

(o) COLLECTION AND ANALYSIS OF ECONOMIC DATA.

The sum of $47,670 was provided by the Deficiency Appropriation Act, 1934, available for the fiscal year 1935, for the purpose of carrying into effect the provisions of the Act entitled "An Act to amend the Tariff Act of 1930," approved June 12, 1934 (Public Numbered 316, 73d Congress), providing for the collection and analysis of economic data on agricultural products in connection with reciprocal trade agreements. It is proposed to continue this activity for the fiscal year 1936, but instead of being set up as a separate item it has been merged in the estimates with the appropriations "Marketing and Distributing Farm Products" and "Foreign Competition and Demand."

(p) EXPENSES, COTTON STANDARDS ACT.

This item is being merged in the estimates for 1936 with the appropriation for "United States Cotton Futures Act and United States Cotton Standards Act."

This work was formerly financed from fees collected for services and deposited in the U. S. Treasury to the credit of a special fund to be used in carrying out provisions of the Cotton Standards Act. The "Permanent Appropriation Repeal Act, 1934," abolished the special fund and authorized annual appropriations. For simplicity of operation all of the work will be financed under the regular annual appropriation for the Enforcement of the U. S. Cotton Futures Act and U. S. Cotton Standards Act.

(q) ESTABLISHING WOOL STANDARDS

Appropriation, 1932	$ 50,000
Appropriation, 1933	39,300
Appropriation, 1934	30,000
Appropriation, 1935	26,435 (a)
Budget Estimate, 1936	27,652
Increase, Budget 1936, compared with Appropriation, 1935	1,217 (b)

(a) Includes $1,212 to cover 5% salary adjustment for 1935 (to 95%), as follows: (1) $527 transferred from Bureau of Animal Industry; and (2) $685 from fund authorized by Sec. 21(e) of Act of March 28, 1934.

(b) Increase of $1,217 compared with 1935 appropriation is for 5% salary restoration, 1936 (to 100%).

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Establishing Wool Standards.....	$23,797	$26,435	$27,652	$(1)1,217	- - -
Unobligated:					
Salary reduction impoundments.....	1,084	- - -	- - -	- - -	- - -
Other amounts unobligated.....	5,119	- - -	- - -	- - -	- - -
Total appropriation..	30,000	26,435	27,652	+1,217(1)	

(1) The increase of $1,217 is for 5% salary restoration, (to 100%).

WORK DONE UNDER THIS APPROPRIATION

The work under this appropriation was provided for by Act approved May 17, 1928 (U.S.C. Supp. VII, title 7, secs. 415 b - 415d). It covers marketing investigations relating to methods and practices in preparation, handling, tying, packing and shipping of wool. Standards are prepared and their use explained and demonstrated. Wool scouring and shrinkage investigations are conducted and various problems connected with the handling and marketing of wool are studied.

The bureau prepares information on the proper methods and practices in preparing, grading, handling and storing wool. Investigations in various phases of marketing show that preventable faults in wool handling result in heavy losses annually to the wool industry. These include the use of insoluble branding fluids in marking fleeces and of improper twines in tying, as well as lack of care in preparing and handling the fleeces.

Investigational work to determine means of correction and educational work to eliminate the objectionable practices are in progress.

Numerous grade standards for wool are in use, especially between producers and dealers, with considerable variation even among the highly organized groups in the wool marketing and manufacturing industry. The bureau's wool standards for diameter have provided a means for reducing the confusing standards to one basic standard. Educational work has been conducted in cooperation with six western wool growers' associations to bring about a better understanding of the Federal standards. Official standards are sold or otherwise issued for commercial and official use, in addition to the distribution of wool-grade charts and descriptive material.

EMERGENCY FUNDS

Direct Allotments

Funds Made Available by Agricultural Adjustment Administration

Agricultural Adjustment Administration appropriation; project title; objects	Obligated, 1934	Estimated Obligations 1935
Salaries and Expenses, A.A.A.		
(1) Preparing estimates and forecasts of production necessary for the proper operation of marketing agreements covering general crops	$ 1,140	$ 50,059
(2) Statistical work for the Dairy Section of A.A.A.	2,390	147
(3) Maintenance and operation of rice grading office and laboratory at Stuttgart, Ark., and supervision of rice grading	10,124	3,000
(4) Gathering, compiling and analyzing data in connection with the rice and sugar adjustment program	1,560	301
(5) Obtaining detailed carlot shipment information on Tokay grapes, which will enable check-up and prevent violations of any pro rate orders which may be made under marketing agreements.	- - -	342
(6) Supervision of operation of citrus marketing agreement.	- - -	807
(7) Revision of monthly estimates of prices received by farmers for fluid whole milk sold at wholesale, by States, for the period 1910 to date; also gathering information on prices received from distributors and manufacturers; preparation of weekly weighted averages, etc.	4,886	7,660
(8) Auditing invoices and taking up cotton acquired by the A.A.A. from the Farm Credit Administration.	673	- - -

	Obligated, 1934	Estimated Obligations 1935
Salaries and Expenses, A.A.A. (cont'd)		
(9) Furnishing assistance to officials on technical matters connected with the handling of large quantities of cotton to which the Secretary of Agriculture took title under emergency legislation.	9,748	- -
(10) Work in connection with the organization of the A.A.A. administrative office, setting up a filing system, handling property work, etc.	2,969	- -
(11) Conducting research studies on the processing tax and its influence on the consumer, distributor, and producer of agricultural products.	4,702	- -
(12) Assisting in classing and stamping of staple cotton in Mississippi.	748	- -
(13) Assistance to Licensing and Enforcement Section of A.A.A.	694	- -
(14) Assistance in the preparation of codes . . .	652	- -
(15) Development of material in connection with the milk production control program	1,544	- -
(16) Appraisal of production adjustment program in the light of crops and livestock that are produced and can be produced advantageously in various sections of the country for the purpose of bringing about best utilization of natural resources . . .	1,653	- -
(17) Checking of cotton and grain warehouses in which stocks of cotton and corn are stored on which loans have been made through the C.C.C.	3,429	- -
(18) Preparing information on marketing of canned vegetables.	314	- -
Total, Salaries and Expenses, A.A.A. . .	47,226	62,316

Funds Made Available by Agricultural Adjustment Administration - (cont'd)

Agricultural Adjustment Administration appropriation; project title; objects	Obligated, 1934	Estimated Obligations 1935
Advances to A.A.A.		
(1) Gathering information regarding the effect of the direct marketing of hogs on hog prices, for use in working out plans for administering the A.A.A. as it relates to hogs.	$ 39,067	$ 20,653
(2) Collecting statistics and information necessary in checking State and county figures, payments, etc. in the cotton control campaign.	70,742	7,115
(3) Preparing for checking purposes, county estimates of cotton acreage, yield, and production,* * * to provide the State and county committees conducting the 1934-35 cotton reduction campaign with accurate data on which to base production allotments	- - -	20,429
(4) Assistance to the National Allotment Board in the investigation of appeals from county allotments of tax exempt cotton, promulgated in accordance with provisions of the Bankhead Act, and assistance to State Review Boards in the analysis of applications for individual allotments	- - -	61,939
(5) Work on the economic and statistical phases of the 1934 cotton acreage reduction program, developing detailed statistical procedure for handling contracts, determining allotments, etc.	26,236	602
(6) Non-legal preparation of applications and contracts for various agricultural commodities, etc.	1,561	471
(7) Organizing and supervising the weighing of unsold crops of cigar-leaf tobacco under the acreage reduction production contracts for the A.A.A.	474	594
(8) Gathering, compiling, and analyzing data in connection with the tobacco program, and assisting with adjustment plans	22,300	3,689
(9) Preparing county estimates of corn acreage, yield and production, and hog numbers and production of hogs for slaughter; analyses of county contract data from the corn-hog campaign, checking contract claims against the compiled check data, and advising county committees regarding adjustments required to make contracts conform with quotas, etc.	209,491	120,539

	Obligated, 1934	Estimated Obligations 1935
Advances to A.A.A. (cont'd)		
(10) Checking the completeness and accuracy of the corn-hog contracts, and preparation under direction of the State Corn-Hog Review Boards of tabulation analyses of the contracts offered, during the corn-hog campaign, * * * assisting farmers by transferring data from work sheets to contracts, * * * checking figures presented by farmers, rechecking and retabulating contracts after corrections have been made, and furnishing other data needed by the Corn-Hog Review Boards	$308,091	$ 94,909
(11) Gathering, compiling and analyzing data in connection with the hog-corn adjustment program.	6,949	1,092
(12) Assisting the Sugar Section, A.A.A., in the formulation of labor policies under the Jones-Costigan amendments to the A.A.A. Act.	- - -	2,841
(13) Grading of cheese purchased by the A.A.A. for disposal through the Federal Emergency Relief Administration.	8,106	3,384
(14) Work in connection with rules, regulations and administrative problems in connection with county Wheat Production Control Associations; assisting in deciding policies and developing technique of making allotments and adjustment payments in wheat sections.	9,510	488
(15) Gathering information on outlets for American agricultural products in Europe and the Orient.	23,465	- - -
(16) Collection of additional statistics necessary in checking State and county figures, payments etc. in wheat production control campaign.	63,633	- - -
(17) Assisting in the preparation of codes. . .	3,744	- - -
(18) Grading and printing of butter purchased by the A.A.A.	3,180	- - -
(19) Classification of cotton to which the Secretary of Agriculture has taken title under Emergency legislation	72	- - -
(20) Consolidation of trading rules of 32 trade associations and spot cotton exchanges which are joining in the application of a code of fair competition for the raw cotton trade.	810	- - -
Total, Advances to A.A.A.	$797,431	$338,910

Funds Made Available by Agricultural Adjustment Administration - (cont'd)

Agricultural Adjustment Administration appropriation; project title; objects	Obligated, 1934	Estimated Obligations, 1935
Administration of Cotton Act of 1934.(Bankhead Act)		
(1) Work on economic and statistical phases of the 1934 Cotton Acreage Program, developing detailed statistical procedure for handling contracts and determining allotments, and determining matters of policy and procedure	- - -	$ 696
(2) Contacting warehousemen and checking progress of cotton tagging under the Bankhead Act, etc.	$ 1,521	1,717
Total, Cotton Act, A.A.A.	1,521	2,413
Total, All A.A.A. funds	846,178	403,639
Loans and Relief in Stricken Agricultural Areas (Transferred from A.A.A.), 1934-1935:		
(1) Providing inspection, certification, acceptance, and storage of seed grain purchased under the Emergency Appropriation Act to meet the necessity for relief in drought stricken areas	$ - - -	$141,795
(2) Nation-wide survey to secure basic data for the purpose of establishing the location of surplus feeds; preparing information in detail showing areas of feed shortages and surpluses in relation to livestock, etc.	- - -	83,567
(3) Establishment of headquarters at Denver for buying sheep, locating supplies, contacting packing houses, etc., in connection with drought relief campaign.	- - -	4,006
Total.	- - -	229,368

EMERGENCY FUNDS - BUREAU TOTAL

	Obligated 1934	Estimated 1935
Transferred from Agricultural Adjustment Administration.	$846,178	$403,639
Loans and Relief in Stricken Agricultural Areas (Transfer from A.A.A.). . .	- - -	229,368
Civil Works projects	99,518	117,590
Total.	945,696	750,597

PASSENGER-CARRYING VEHICLES

The bureau's authorization for 1935 for the purchase of passenger-carrying cars is $22,200. The estimate for 1936 is $28,450, an increase of $6,250. It is planned to replace 59 worn-out passenger-carrying cars and one truck, which is now being used as a passenger-carrying car, and to purchase 8 additional passenger-carrying cars, making a total of 68 cars to be purchased in 1936.

Of the 8 additional cars, 4 will be used by the Division of Crop and Livestock Estimates in New England, Iowa, Tennessee and Nebraska. Cars are badly needed because of the extensive crop inspection work which must be carried on and the crop meter measurements which are necessary. Two will be used by meat graders located in Kansas City, Mo. and National Stock Yards, Ill. In both these places the packing plants are so scattered that considerable loss of time results through the use of street car facilities. The purchase of an automobile at each of these points would facilitate the handling of the meat grading work. Two will be used by supervisors of tobacco inspection whose duties require constant travel between tobacco markets in the various tobacco producing districts in Kentucky and adjoining States and between auction warehouses at tobacco markets where no public transportation facilities are available. The service cannot be rendered efficiently without the use of an automobile.

The use of passenger-carrying cars is very necessary in the work of this bureau since it is necessary for men to cover widely separated points quickly. In most cases it is not feasible to obtain the necessary transportation by any other method quickly enough to enable the employees to conduct their work efficiently. In the case of the market news service speed is the essence of the service and where several markets must be covered it could not be done without the use of a car. In other lines such as the inspection services, the output of work per man would be greatly reduced if cars were not available. To furnish such transportation by hiring cars would be more expensive and less satisfactory.

BUREAU OF HOME ECONOMICS

(a) GENERAL ADMINISTRATIVE EXPENSES

Appropriation, 1932	$28,000
Appropriation, 1933	27,900
Appropriation, 1934	26,049
Appropriation, 1935	27,002 (a)
Budget Estimate, 1936	26,135
Decrease, Budget 1936, compared with Appropriation, 1935	867 (b)

(a) Includes $1,255 to cover 5% salary adjustment for 1935 (to 95%) as follows: (1) $546 transferred from Bureau of Animal Industry; and (2) $709 from fund authorized by Sec. 21 (e) of Act of March 28, 1934.

(b) Decrease of $867 compared with 1935 appropriation consists of -

5% salary restoration, 1936 (to 100%)	+$1,265
Decrease in working funds for 1936	- 2,132
	- 867

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 Estimated	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
General administrative expenses.....	$24,798	$27,002	$26,135	$1,265(1)	-$2,132(2)
Unobligated:					
Salary reduction impoundments.....	1,105	- - -	- - -	- - -	- - -
Other amounts unobligated.....	146	- - -	- - -	- - -	- - -
Total appropriation..	26,049	27,002	26,135	- 867	

The decrease of $867 for 1936 includes:

(1) An increase of $1,265 for 5% salary restoration, 1936 (to 100%).

(2) A decrease of $2,132 on account of transfer of cleaning service to Department of Interior.

WORK DONE UNDER THIS APPROPRIATION

The activities under this appropriation include: (1) the office of the Chief of bureau, (2) the business office of the Bureau where general administrative activities of the bureau, such as personnel, accounts, budget, correspondence, and bureau files are handled, and (3) the bureau library.

Appropriation, 1932	$218,700
Appropriation, 1933	205,465
Appropriation, 1934	186,700
Appropriation, 1935	160,956 (a)
Budget Estimate, 1936.	167,350
Increase, Budget 1936, compared with Appropriation, 1935	6,394 (b)

(a) Includes $8,002 to cover 5% salary adjustment for 1935 (to 95%) as follows: (1) $3,481 transferred from Bureau of Animal Industry; and (2) $4,521 from fund authorized by Sec. 21 (c) of Act of March 28, 1934.

(b) Increase of $6,394 compared with 1935 appropriation consists of:

5% salary restoration, 1936 (to 100%).	+$7,844
Decrease in working funds for 1936	- 750
Reduction: Continuation of 1935 impoundment . .	- 700
	+ 6,394

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Home Economics Information...	$15,607	$17,042	$17,856	$ 896	-$82
Foods and Nutrition:					
Utilization of Food Products	24,519	26,786	27,892	1,233	-127
Studies in Human Nutrition..	19,754	21,568	22,463	993	-98
Composition of Foods.....	11,542	12,712	13,295	643	- 60
Institutional Cookery.....	1,500	1,662	1,655	- - -	- 7
Household Management and Standards of Living:					
Standards of Living.....	10,714	11,702	12,149	499	- 52
Family Budgets.....	8,190	8,942	9,380	483	- 45
Food Consumption Trends.....	13,620	14,879	15,450	639	- 68
Household Efficiency Studies	6,780	7,303	7,584	311	- 30
Household Equipment Studies..	2,748	2,992	3,331	354	- 15
Textiles and Clothing:					
Cotton Utilization Studies...	24,397	26,644	27,827	1,311	-128
Wool Utilization Studies....	7,347	8,024	8,468	482	- 38
Total obligations.....	146,718	160,256	167,350	7,844 (1)	-750(2)
Unobligated:					
Salary reduction impoundments	6,855	- - -	- - - -	- - -	- - -
Other legislative impoundments	4,040	700	- - - -	- - -	-700(3)
Other amounts unobligated...	29,087	- -	- - - -	- - -	- - -
Total appropriation.....	186,700	160,956	167,350	+ 6,394	

The increase of $6,394 for 1936 includes:

(1) An increase of $7,844 for 5% salary restoration, 1936 (to 100%)

(2) A decrease of $750 on account of transfer of cleaning service to Department of Interior.

(3) A reduction of $700, continuing 1935 impoundment.

Work Done Under This Appropriation

General: The research work of the Department in the field of Home Economics is conducted under this appropriation. The efficiency of this organization and the value of its studies has been demonstrated by the essential information it has furnished to the recovery agencies of the Government. It is the only government agency concerned primarily with the establishment of standards for consumer goods. No field stations are maintained, the work all being done in Washington. The investigations now under way relate to:

Home Economics Information: The dissemination of results of research studies of the bureau in both technical and popular form to meet requests of consumers for help in choice and use of agricultural products, and for guidance in adjustment of family and individual expenditures to promote a satisfactory standard of living.

Foods and Nutrition Investigations: (1) Analyzing methods of preparation of food with a view of originating, improving, and standardizing processes; (2) Establishing the relation between variety, quality, and nutritive value of foods and their uses in food preparations; (3) Determining the factors which enter into food quality and the methods of determining and measuring these, and in cooperation with producing groups investigating the influence of variety, breed, or other production factors on edible quality, using these as a basis for establishing quality standards for food products; (4) Determining the value of foods in human nutrition, how the nutritive value may be altered by different methods of production, and the effect of handling, cooking, and other methods of preparation on the nutritive value; (5) Collecting, evaluating, and summarizing data on the chemical composition of all classes of foods, for the use of consumers and scientific workers in the field of foods and nutrition; (6) a study of equipment for institutional cookery quantity preparation and service of foods.

Household Management and Standards of Living: (1) Collecting and analyzing data on family expenditures and standards of living, as a basis for improving living conditions, for measuring changes in the cost of living, and for measuring the demand for farm and industrial products by different types of families at different income levels; (2) Determining trends in food consumption by different groups of the population, to provide information for improving the healthfulness and economy of the diet of the American people, and as a basis for national planning of food production and food distribution programs; (3) Formulating budgets for food and other items of family living, suited to families at different income levels for use by teachers and social workers in aiding homemakers in the wise use of the family income; (4) Preparing material on household accounting and on purchasing from the consumers' standpoint, to guide homemakers in spending the family's income; (5) Studying the efficient use of time, energy, and money in performing the work of the home, as a basis for helping homemakers to increase the efficiency of their housekeeping and to provide information needed in planning, equipping, and modernizing homes; (6) Testing the efficiency of different types of household equipment, as a basis for establishing standard specifications for consumers.

Textiles and Clothing: (1) Determining the relative value to the consumer of different varieties and grades of American-grown cotton when woven into different fabrics and subjected to wear and laundering; (2) Improving methods of utilization and care of cotton fabrics in the home; (3) Investigating the relative serviceability from the consumer standpoint of different kinds of virgin and reworked wool and mohair when woven either alone or in combination into typical household fabrics; (4) Setting up buying guides and demonstrating to consumers efficient methods of utilizing fabrics of cotton and wool for household articles and in garments designed according to modern principles of clothing hygiene.

EMERGENCY FUNDS

Direct Allotments

Projects	Obligated, 1934	Estimated obligations, 1935
Public Works allotments (National Industrial Recovery Act):		
Construction of storage refrigerator	$1,000	- - -
Construction of laboratory hood.....	200	- - -
Total, P.W.A. allotments.....	1,200	- - -
Civil Works projects:		
Farm Housing Survey.....	190,062 (a)	$36,640 (b)
Total.....	191,262	36,640

(a) $9,362 of this amount was financed by Federal Emergency Relief Administration.

(b) Financed by the Federal Emergency Relief Administration.

ENFORCEMENT OF THE GRAIN FUTURES ACT

Appropriation, 1932	$221,480	(a)
Appropriation, 1933	218,838	
Appropriation, 1934	200,000	
Appropriation, 1935	188,000	(b)
Budget Estimate, 1936	196,500	
Increase, Budget 1936, compared with Appropriation, 1935	8,500	(c)

(a) Includes $198,980 in regular appropriation for 1932 and $22,500 supplemental appropriation for 1932 carried in Second Deficiency Act, 1931, to provide for special investigations and the examination of books and records of brokerage houses outside Chicago, Ill.

(b) Includes $6,502 to cover 5% salary adjustments for 1935 (to 95%), as follows: (1) $3,768 transferred from Bureau of Animal Industry; and (2) $2,734 from fund authorized by Sec. 21(e) of Act of March 28, 1934.

(c) Increase of $8,500 compared with 1935 appropriation provides for 5% salary restoration, 1936 (to 100%).

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Enforcement Grain Futures Act.....	$167,289	$188,000	$196,500	$8,500	- - -
Unobligated:					
Salary reduction impoundments.....	13,276	- - -	- - -	- - -	- - -
Other legislative impoundments.....	7,219	- - -	- - -	- - -	- - -
Other amounts unobligated.....	12,216	- - -	- - -	- - -	- - -
Total appropriation	200,000	188,000	196,500	+ 8,500	

Work Done Under this Appropriation

The work under the appropriation for the enforcement of the Grain Futures Act, approved Sept. 21, 1922 (U.S.C., title 7, secs. 1-17) requires the

control and supervision of future trading in grain on 14 boards of trade and exchanges designated as contract markets by the Secretary of Agriculture. This work is carried on through 6 field offices located at Chicago, Ill., Minneapolis, Minn., Kansas City, Mo., New York, N. Y., Seattle, Wash., and Sacramento, Calif., and involves: (1) observation of trading operations, (2) compiling and publishing daily reports on volume of trading and amounts of open interest, (3) examination of books and records of clearing members for the purpose of discovering and preventing irregularities, (4) examination of market news and gossip items to prevent the dissemination of false and misleading crop and market information, (5) maintaining a daily check on accounts of large traders, (6) investigation of complaints, and (7) special studies and investigations relating to economic functions and general utility of the future markets for hedging and merchandising purposes.

FOOD AND DRUG ADMINISTRATION

(a) GENERAL ADMINISTRATIVE EXPENSES

Appropriation, 1932	$ 105,455
Appropriation, 1933	104,800
Appropriation, 1934	96,827
Appropriation, 1935	100,029 (a)
Budget Estimate, 1936	100,802
Increase, Budget 1936, compared with Appropriation, 1935	773 (b)

(a) Includes $4,851 to cover 5% salary adjustment for 1935, to (95%), as follows: (1) $2,197 transferred from Bureau of Animal Industry; and (2) $2,654 from fund authorized by Sec. 21 (e) of Act of March 28, 1934.

(b) Increase of $773 compared with 1935 appropriation consists of -

5% salary restoration, 1936 (to 100%) . . .	+ $5,051
Reduction: Transferred to Department of the Interior	- 4,278
	+ 773

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease 5% Salary Restoration	Increase or decrease Working Funds
Obligated: General Administrative Expenses.....	$89,231	$100,029	$100,802	(1)$5,051	-$4,278(2)
Unobligated:					
Salary reduction impoundments	4,859	- - -	- - -	- - -	- - -
Other legislative impoundments.....	2,336	- - -	- - -	- - -	- - -
Other amounts unobligated	401	- - -	- - -	- - -	- - -
Total appropriation.	96,827	100,029	100,802	+ 773	

The increase of $773 for 1936 includes:

(1) An increase of $5,051 for 5% salary restoration, 1936 (to 100%).

(2) A decrease of $4,278 by transfer to Department of Interior for cleaning service..

Work Done Under This Appropriation

This appropriation is used for overhead expenses, such as general supervision, accounting, editorial work, purchases and distribution of supplies, filing, recording, and the like, applicable to operations in connection with the acts enforced by the Food and Drug Administration.

(b) ENFORCEMENT OF THE FOOD AND DRUGS ACT

Appropriation, 1932	$ 1,315,865	
Appropriation, 1933	1,265,219	
Appropriation, 1934	1,185,000	
Appropriation, 1935	1,212,959	(a)
Budget Estimate, 1936	1,765,879	
Increase, Budget 1936, compared with Appropriation, 1935	552,920	(b)

(a) Includes $51,482 to cover 5% salary adjustment for 1935 (to 95%), as follows: (1) $22,830 transferred from Bureau of Animal Industry; and (2) $28,652 from fund authorized by Sec. 21 (e) of Act of March 28, 1934.

(b) Increase of $552,920 compared with 1935 appropriation consists of -

5% salary restoration, 1936 (to 100%)	+$ 52,920
Increase in working funds for 1936	+ 500,000
	+ 552,920

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase: 5% Salary Restoration	Increase: Working Funds
Obligated:					
Beverages and beverage products	$ 50,707	$ 54,720	$ 100,000	$ 2,388	$ 42,892
Cereal products	35,229	38,000	60,000	1,658	20,342
Chocolates and saccharin	34,391	37,090	50,000	1,618	11,292
Dairy products	92,895	100,230	175,000	4,373	70,397
Eggs	10,964	11,830	12,500	516	154
Fishery products	95,136	102,630	130,000	4,478	22,892
Flavors and spices	40,027	43,190	50,000	1,884	4,926
Fruit products	221,336	238,780	393,000	10,418	143,802
Feeds, stock	6,579	7,100	10,000	310	2,590
Meat products and poultry	7,469	8,050	10,000	351	1,599
Miscellaneous	30,161	32,530	35,379	1,419	1,430
Nuts and nut products	15,084	16,280	17,500	710	510
Oils and fats	15,577	16,800	17,500	633	67
Vegetable products	136,633	147,400	270,000	6,530	116,070
Crude drugs	16,792	18,160	20,000	792	1,048
Pharmaceuticals	128,589	138,740	160,000	6,053	15,207
Proprietary preparations	151,339	163,329	175,000	7,126	4,545
Veterinary preparations	19,688	21,240	30,000	927	7,833
Vitamin preparations	15,683	16,860	50,000	736	32,404
Total obligations	1,124,279	1,212,959	1,765,879	(1) 52,920	(2)500,000
Unobligated:					
Salary reduction impoundments	47,703	- - -	- - -	- - -	- - -
Other legislative impoundments	12,958	- - -	- - -	- - -	- - -
Other amounts unobligated	60	- - -	- - -	- - -	- - -
Total appropriation	1,185,000	1,212,959	1,765,879	+ 552,920	

The increase of $552,920 for 1936 includes:

(1) An increase of $52,920 for 5% salary restoration, 1936 (to 100%).

(2) An increase of $500,000 for the expansion of work in the enforcement of the Federal Food and Drugs Act.

It is now impossible with the funds available to control the widespread misbranding and adulteration of foods and drugs that come within Federal jurisdiction. To provide a staff of competent specialists to cope with this situation will require eventually a much larger increase than the $500,000 herewith submitted. An increase of $500,000, however, will enable the Department to

materially increase the number of inspections and examinations of food and drug products and thus keep under more effective surveillance much larger portions of the food and drug industries that violate the provisions of the food and drugs act. It will also enable the Department to prepare to cope with various forms of adulteration of more recent development for which it now lacks a sufficient number of competent specialists. The personnel provided in this estimate can be used most effectively to prevent misbranding and adulteration throughout the United States. The estimated increase in personnel will permit the staff of each existing laboratory and field station to be brought up more nearly to the number that can be used most effectively. The funds will be distributed among various projects as indicated in the tabulated statement.

The value of the foods and drugs subject to the act ranges in different years with varying prices from about $15,000,000,000 to $22,000,000,000. The volume steadily increases from year to year with the growth of population. The Department has endeavored to enforce the act throughout the United States in its application to this vast volume of commerce with a personnel of only about 440, an average of less than 10 for each state. The personnel of 440 includes clerks, helpers, messengers, and other minor employees and only 72 food and drug inspectors and 188 food and drug analysts and other professional specialists. It has been necessary for the Department to center attention on an extremely limited part of the enormous volume of foods and drugs subject to the act, and each year the relative portion of the increasing volume of foods and drugs that can be examined becomes less and less. Notwithstanding the use of every conceivable expediency to stretch the available funds as far as possible, it becomes increasingly apparent that an effective enforcement of the act will require a much larger force than heretofore available. Consumers have a right to expect and do expect that the Federal Government will give them at least that degree of protection from misbranded and adulterated foods and drugs that is provided by the terms of the Federal Food and Drugs Act.

There has been no substantial increase in the force during the last 20 years. In the meantime the population has increased with a corresponding increase in the volume of foods and drugs consumed. Also during this period there has been a rapid increase in the proportion of foods and drugs that are subject to the Federal Act. Formerly a much larger proportion of food was produced in the home or locally near the point of consumption. The rapid growth of food and drug concerns that do a nation wide business with improvements in transportation facilities has increased enormously the volume of foods and drugs that enter interstate commerce and so become subject to the act.

Work Done Under This Appropriation

This appropriation provides for enforcing the food and drugs act, commonly called the pure food law, approved June 30, 1906 (U.S.C., title 21, Secs. 1-15). The purpose of this act is to prevent the shipment in interstate or foreign commerce, and the manufacture and sale in the District of Columbia and other territory in which the Federal Government has jurisdiction, of adulterated or misbranded foods and drugs. To enforce this act is is necessary to maintain supervision of the enormous volume of foods and drugs shipped in its jurisdiction. This requires the inspection of food factories and the examination of shipments of foods and drugs, the analysis of samples and the presentation of evidence in court.

(c) ENFORCEMENT OF THE TEA IMPORTATION ACT

Appropriation, 1932.	$ 44,030
Appropriation, 1933.	41,630
Appropriation, 1934.	38,000
Appropriation, 1935.	38,372 (a)
Budget Estimate, 1936	40,094
Increase, Budget 1936, compared with Appropriation, 1935	1,722 (b)

(a) Includes $1,586 to cover 5% salary adjustment for 1935 (to 95%), as follows: (1) $777 transferred from Bureau of Animal Industry and (2) $809 from fund authorized by Sec. 21 (e) of Act of March 28, 1934.

(b) Increase of $1,722 compared with 1935 appropriation represents 5% salary restoration, 1936 (to 100%).

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Enforcement of the Tea Importation Act	$ 34,090	$ 38,372	$ 40,094	(1)$1,722	- - -
Unobligated:					
Salary reduction impoundments.....	1,873	- - -	- - -	- - -	- - -
Other legislative impoundments.....	55	- - -	- - -	- - -	- - -
Other amounts unobligated.....	1,982	- - -	- - -	- - -	- - -
Total appropriation...	38,000	38,372	40,094	+ 1,722	

(1) The increase of $1,722 is for 5% salary restoration, 1936 (to 100%

Work Done Under This Appropriation

To provide for expenses under the Tea Importation Act approved March 2, 1897, (U.S.C. title 21, sec. 41-50). Every consignment of tea imported into the United States is inspected both as to purity and quality. A board of tea experts determines a suitable standard for tea each year, and no tea for beverage purposes is permitted entry into the United States that falls below that standard. Before the enactment of the Tea Importation Act much low grade tea that was unfit for use was sent to the United States. Supervising tea examiners are located for the purpose of enforcing this Act at San Francisco, Seattle, Boston, and New York.

(d) NAVAL STORES ACT

Appropriation, 1932	$ 39,600
Appropriation, 1933	37,200
Appropriation, 1934	32,599
Appropriation, 1935	33,305 (a)
Budget Estimate, 1936	34,700
Increase, Budget 1936, compared with Appropriation, 1935	1,395 (b)

(a) Includes $1,253 to cover 5% salary adjustment for 1935 (to 95%) as follows: (1) $632 transferred from Bureau of Animal Industry; and (2) $621 from fund authorized by Sec. 21 (e) of Act of March, 28, 1934.

(b) Increase of $1,395 compared with 1935 appropriation represents 5% salary restoration, 1936 (to 100%).

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or Decrease: 5% Salary Restoration	Increase or Decrease: Working Funds
Obligated:					
Enforcement of the Naval Stores Act....	$ 29,774	$ 33,305	$ 34,700	(1) $1,395	- - -
Unobligated:					
Salary reduction impoundments	1,075	- - -	- - -	- - -	- - -
Other legislative impoundments	73	- - -	- - -	- - -	- - -
Other amounts unobligated.....	1,677	- - -	- - -	- - -	- - -
Total appropriation....	32,599	33,305	34,700	+ 1,395	

(1) The increase of $1,395 is for 5% salary restoration, 1936 (to 100%).

Work Done Under This Appropriation

To provide for the enforcement of the Naval Stores Act approved March 3, 1923, (U.S.C. title 7, secs. 91-99). This act provides that the Secretary of Agriculture "shall examine, if practicable, upon request of any interested person, any naval stores and shall analyse, classify, or grade the same on tender of the cost thereof as required by him, under such regulations as he may prescribe. He shall furnish a certificate showing the analaysis, classification or grade of such naval stores, which certificate shall be prima facie evidence of the analysis, classification, or grade of such naval stores and of the contents of any package from which the same may have been taken as well as of the correctness of such alanysis, classification or grade and shall be admissible as such in any court."

The Secretary is authorized to purchase from time to time samples of spirits of turpentine and of anything offered for sale as such for the purpose of analysis, classification, or grading, and of detecting any violation of the Act. Naval Stores offered for import or export as well as naval stores that enter interstate commerce are subject to all the provisions of the Act.

(e) ENFORCEMENT OF THE INSECTICIDE ACT

Appropriation, 1932.	$ 225,458
Appropriation, 1933.	212,358
Appropriation, 1934.	195,000
Appropriation, 1935.	199,672 (a)
Budget Estimate, 1936	208,180
Increase, Budget 1936, compared with Appropriation, 1935	8,508 (b)

(a) Includes $8,155 to cover 5% salary adjustment for 1935 (to 95%), as follows: (1) $3,765 transferred from Bureau of Animal Industry: and (2) $4,390 from fund authorized by Sec. 21 (e) of Act of March 28, 1934.

(b) Increase of $8,508 compared with 1935 appropriation represents 5% salary restoration, 1936 (to 100%).

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Inspection of domestic and import shipment of insecticides and fungicides, development of cases and State cooperation	$ 51,739	$ 55,932	$ 58,315	$ 2,383	- - -
Chemical, microscopic & bacteriologic examinations of insecticides and fungicides (including disinfectants) ..	84,935	91,817	95,730	3,913	- - -
Testing of efficacy of fungicides and action on foliage of insecticides.....	23,268	25,152	26,225	1,073	- - -
Testing of efficacy of insecticides and their action on foliage.....	24,765	26,771	27,910	1,139	- - -
Total obligations.....	184,707	199,672	208,180	+ 8,508(1)	- - -
Unobligated:					
Salary reduction impoundments.....	7,551	- - -	- - -	- - -	- - -
Other legislative impoundments.....	2,698	- - -	- - -	- - -	- - -
Other amounts unobligated.....	44	- - -	- - -	- - -	- - -
Total appropriation.....	195,000	199,672	208,180	+ 8,508	

(1) The increase of $8,508 is for 5% salary restoration, 1936 (to 100%

Work Done Under This Appropriation

To provide for enforcing the Insecticide Act approved April 26, 1910 (U.S.C. title 7 secs. 121-134). The Insecticide Act makes illegal the manufacture, sale or transportation in interstate commerce of adulterated or misbranded insecticides and fungicides, as well as their importation and exportation. It contains definite standards to which all lead arsenates and Paris greens subject to it should conform. It provides that all insecticides and fungicides, other than lead arsenates and Paris greens, that contain inert ingredients shall bear, upon the face of the principal label of every package, a statement giving the name and quantity of each inert ingredient of the prep-

aration with a statement that such ingredient is inert, or, instead, a statement giving the name and quantity of each active ingredient, with the percentage of the combined inert ingredients. The principal labels for insecticides, other than lead arsenate and Paris green, and for fungicides that contain arsenic or compounds of arsenic, must show the percentage of arsenic present. Any false or exaggerated claim as to the efficacy of an insecticide or fungicide constitutes a violation of the law. The act demands further that all insecticides and fungicides must be up to the standards under which they are sold and that no insecticide or fungicide shall contain any substance or substances that will injure the plant on which it may be used.

(f) ENFORCEMENT OF THE MILK IMPORTATION ACT

Appropriation, 1932	$ 53,030
Appropriation, 1933	29,600
Appropriation, 1934	18,360
Appropriation, 1935	18,418 (a)
Budget Estimate, 1936	19,241
Increase, Budget 1936, compared with Appropriation, 1935	823 (b)

(a) Includes $679 to cover 5% salary adjustment for 1935 (to 95%), as follows: $382 transferred from Bureau of Animal Industry; and (2) $297 from fund authorized by Sec. 21 (e) of Act of March 28, 1934.

(b) Increase of $823 compared with 1935 appropriation represents 5% salary restoration, 1936 (to 100%).

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Enforcement of the Milk Importation Act	$ 14,209	$ 18,418	$ 19,241	(1) $ 823	- - -
Unobligated:					
Salary reduction impoundments.....	603	- - -	- - -	- - -	- - -
Other legislative impoundments.....	27	- - -	- - -	- - -	- - -
Other amounts unobligated.....	3,521	- - -	- - -	- - -	- - -
Total appropriation....	18,360	18,418	19,241	+ 823	

(1) The increase of $823 is for 5% salary restoration, 1936, to (100%).

Work Done Under This Appropriation

To provide for expenses in enforcing the Milk Importation Act approved February 15, 1927, (U.S.C., Supp. IV, title 21 secs. 141-149). The Milk Importation Act provides for inspection both at the source and at the ports of entry. The work of enforcing this Act, therefore, involves the supervision of the sanitary inspection of Canadian shipping plants and dairies from which milk is shipped to the United States and supervision of the physical examination and in most instances tuberculin test once a year of cattle from herds producing milk shipped to the United States, this work being carried out in collaboration with Canadian officials as authorized by the Act; it also involves the bacteriological examination and temperature tests of sufficient representative samples of all imported milk and cream, to insure compliance with the Act at ports of entry. Milk may be brought into the United States at any port along the Canadian border, but the bulk of the milk and cream comes in through ports of entry in New York and the New England states.

(g) ENFORCEMENT OF THE CAUSTIC POISON ACT

Appropriation, 1932	$ 26,790
Appropriation, 1933	25,360
Appropriation, 1934	23,719
Appropriation, 1935	23,809 (a)
Budget Estimate, 1936	24,741
Increase, Budget 1936, compared with Appropriation, 1935	932 (b)

(a) Includes $845 to cover 5% salary adjustment for 1935 (to 95%) as follows: $455 transferred from Bureau of Animal Industry and (2) $390 from fund authorized by Sec. 21 (e) of Act of March 28, 1934.

(b) Increase of $932 compared with 1935 appropriation represents 5% salary restoration, 1936 (to 100%).

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Enforcement of the Caustic Poison Act	$ 22,219	$ 23,809	$ 24,741	(1) $ 932	- - -
Unobligated:					
Salary reduction impoundments.....	887	- - -	- - -	- - -	- - -
Other legislative impoundments.....	- - -	- - -	- - -	- - -	- - -
Other amounts unobligated.....	613	- - -	- - -	- - -	- - -
Total appropriation....	23,719	23,809	24,741	+ 932	

(1) The increase of $932 is for 5% salary restoration, 1936 (to 100%).

WORK DONE UNDER THIS APPROPRIATION

To provide for the expenses in connection with enforcing the Caustic Poison Act, approved March 4, 1927 (U.S.C., Supp. IV, title 15, secs. 401-411). The Caustic Poison Act imposes upon the Department the obligation of seeing that the large number of preparations containing caustic or corrosive substances and sold in interstate or foreign commerce for household use are correctly labeled with the common name of the substance, with the word "Poison", with directions for treatment in case of accidental personal injury, and with the name and place of business of the manufacturer, packer, seller or distributor. To enforce this Act, samples must be collected from the products determined by chemical analysis, and such tests made as will establish whether any or all of the ingredients are caustic or corrosive, and whether the directions given in case of injury are correct and adequate.

Passenger Carrying Vehicles

The authorization for purchase of passenger-carrying vehicles contemplates an increase of $17,940 ($12,800 in 1935; $30,740 estimated for 1936) for this purpose. As shown by the Budget schedule, the $30,740 authorization would permit replacement of 24 vehicles at a net average cost of $570 each, when exchange allowances are taken into account, and the purchase of 25 additional vehicles at an average cost of $683 each.

The replacements are needed in order to obviate the continued use of worn-out cars at excessive maintenance costs.

The use of automobiles for the purpose of carrying on inspection work under five acts enforced by the Food and Drug Administration is essential. Factories, dairies, orchards, canneries, warehouses, retail establishments and other places where foods, drugs, insecticides and naval stores are manufactured, produced or distributed, must be visited and inspected. Shipments of these commodities by freight, express and trucks

must be kept under surveillance. Samples must be collected and delivered for shipment to laboratories. This can be done most economically and efficiently by the use of automobiles. Automobiles can be obtained for the purpose by hiring commercial cars, by using personally owned cars of employees on the mileage basis, or by the purchase of Government owned cars. The latter method has been found to be the most economical in the work of the Food and Drug Administration, costing on the average of about 3½ cents per mile. The purchase of additional cars included in these estimates will reduce the use of personally owned cars which cost on the average about 5 cents per mile and also the hire of commercial cars which cost from 10 to 15 cents per mile. They are needed because of the proposed expansion of the work.

The 24 cars to be exchanged are cars or trucks which, during the fiscal year 1936, will have been used for the maximum number of miles of economical operation.

EMERGENCY FUNDS

Direct Allotments

Projects	Obligated, 1934	Estimated obligations, 1935
Public Works Allotments (National Industrial Recovery Act):		
Constructing laboratory building, greenhouses, barn and garage for testing insecticides on fruit, vegetables, growing plants and animals at Beltsville, Md.	$ 36,300	$ 200
Landscaping, setting out fruit trees, building cement walks on land for experimental work on insecticides at Beltsville, Md.	235	265
Constructing built-in equipment for 7 laboratory units for analysis of foods, drugs, insecticides, and fungicides in new Federal building, Atlanta, Ga.....	6,890	110
Constructing built-in equipment for 20 laboratory units for analysis of foods, drugs, insecticides, and fungicides in new Federal building, Chicago, Ill. ..	18,725	275
Constructing built-in equipment for 6 laboratory units for analysis of foods, drugs, insecticides, and fungicides in new Federal building, Philadelphia, Pa.	57	6,943
Total	62,207	7,793

MISCELLANEOUS

(a) INTERCHANGE OF APPROPRIATIONS

This paragraph permits interchange, within the limitations indicated, of appropriations for the miscellaneous expenses of the work of any bureau, division or office. It has been carried in the bill for many years, and constitutes an essential administrative arrangement, especially when emergencies arise. As called for in the proviso, a statement of the transfers during the fiscal year 1934 is inserted in the Budget under this item.

(b) WORK FOR OTHER DEPARTMENTS

Under this item and section 317 of the Economy Act the Department of Agriculture renders services, such as inspections, analyses, and tests of food and other products, to other Government agencies upon request, with transfer of appropriations to the Department of Agriculture in such amouts as may be necessary for the performance of the work. Services of the character indicated are rendered to the Army, Navy, and Marine Corps, the Veterans' Administration, the Post Office Department, and other Government agencies. In this way the most advantageous use is made, for the benefit of the Government as a whole, of the various services which the Department of Agriculture is in position to render.

(c) EXPERIMENTS AND DEMONSTRATIONS IN LIVESTOCK PRODUCTION IN SOUTHERN UNITED STATES

Appropriation, 1932	$43,500
Appropriation, 1933	41,325
Appropriation, 1934	39,560
Appropriation, 1935	38,468 (a)
Budget Estimate, 1936	39,900
Increase, Budget 1936, compared with Appropriation, 1935	1,432

(a) Includes $1,432 to cover 5% salary adjustment, 1935 (to 95%), transferred from appropriation "Tuberculosis Indemnities", Bureau of Animal Industry.

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease 5% Salary Restoration	Working Funds
Obligated:					
Administration	$ 11,386	$ 12,309	$ 13,767	+$458	- - -
Animal Husbandry:					
(a) Beef cattle	6,405	6,916	7,174	+ 258	- - -
(b) Swine	2,740	2,981	3,091	+ 110	- - -
(c) Horses and mules . . .	1,886	2,028	2,104	+ 76	- - -
Dairy Cattle	9,610	10,387	10,774	+ 387	- - -
Pasture and forage	3,556	3,847	3,990	+ 143	- - -
Total obligations	35,583	38,468	39,900	(1)+1,432	- - -
Unobligated:					
Salary reduction impoundment	1,303	- - -	- - -	- - -	- - -
Working funds unobligated	2,674	- - -	- - -	- - -	- - -
Total appropriation . . .	39,560	38,468	39,900	+1,432	

(1) The increase of $1,432 is for salary restoration, 1936 (to 100%).

WORK DONE UNDER THIS APPROPRIATION

This is a regional station located by Jeanerette, near New Iberia, Louisiana, to determine the proper feeding, breeding, and handling of dairy and beef cattle and pigs in the Gulf Coast country. The by-products of cotton, rice, and sugar are tried out as animal feeds with a view of encouraging diversified farming by the raising of more livestock. Investigations are made also in the establishment, improvement, and utilization of pastures. The Bureaus of Animal Industry, Dairy Industry, and Plant Industry are cooperating in this work. Experiments with horses have the object of determining the comparative usefulness of mules and horses for the farm work of the region.

EMERGENCY FUNDS

Direct allotment

Projects	Estimated, 1935
Public Works Administration:	
Repairing hurricane damage to experimental farm, New Iberia, La.	$5,175

(d) PASSENGER-CARRYING VEHICLES

The general authorization for the maintenance, operation, and repair of motor-propelled and horse-drawn passenger-carrying vehicles is continued for the fiscal year 1936. Specific limitations on expenditures for purchase of such motor vehicles appear in the text pertaining to the several bureaus requiring purchase of such vehicles, as shown in the concluding paragraph of the language for each bureau.

Authorization is included for purchase of one passenger vehicle for official use of the Agricultural Adjustment Administration.

(e) SOIL EROSION INVESTIGATIONS

1. Regular Funds

	Fiscal year	Allotments to Bureaus: Forest Service	Chemistry and Soils	Agricultural Engineering	Total
Appropriation.....	1932	$ 100,000	$ 156,850	$ 73,150	$ 330,000
Appropriation.....	1933	89,160	100,000	100,000	289,160
Appropriation.....	1934	83,814	96,264	96,396	276,474
Appropriation.....	1935	- - -	87,784(b)	87,366(d)	175,150
Budget Estimate.....	1936	74,152(a)	91,410(c)	90,800(e)	256,362
Increase, Budget 1936 compared with Appropriation, 1935.....		+74,152	+ 3,626(c)	+ 3,434(e)	+ 81,212

2. Public Works Funds 1934-5

Fiscal Year	Fund	Forest Service	Agricultural Engineering	Total
1934	P.W.A. (General allottment)..	$ 26,622	$ 52,683	$ 79,305
1935	do.....	7,963	5,067	13,030
1935	P.W.A. lieu funds.....	70,897	- - -	70,897

(a) Includes $67,642 offsetting P.W.A. lieu funds in 1935, plus $3,255 for salary restoration for 1935 (to 95%) from fund authorized by Act of March 28, 1934; and increase of $3,255 for 5% salary restoration, 1936 (to 100%).

(b) Includes $3,392 to cover 5% salary adjustment for 1935 (to 95%), as follows: (1) $1,475 transferred from Bureau of Animal Industry and (2) $1,917 from fund authorized by Sec. 21 (e), Act of March 28, 1934.

(c) Increase of $3,626 to cover 5% salary adjustment for 1936 (to 100%).

(d) Includes $3,432 to cover 5% salary adjustment for 1935 (to 95%), as follows: (1) $1,493 transferred from Bureau of Animal Industry, and (2) $1,939 from fund authorized by Sec. 21 (e), Act of March 28, 1934.

(e) Increase of $3,434 to cover 5% salary adjustment for 1936 (to 100%).

3. Total Funds, (Regular and Emergency) 1934-5-6

Bureau	1934	1935	1936	Increase or decrease
Forest Service:				
Regular funds.....	$ 83,814	- - -	$ 74,152	+ $ 74,152
P.W.A. funds.....	26,622	78,860	- - -	- 78,860
Total.....	110,436	78,860	74,152	- 4,708
Chemistry and Soils:				
Regular funds.....	96,264	87,784	91,410	+ 3,626
Agricultural Engineering:				
Regular funds.....	96,396	87,366	90,800	+ 3,434
P.W.A. funds.....	52,683	5,067	- - -	- 5,067
Total.....	149,079	92,433	90,800	- 1,633
Grand total.....	355,779	259,077	256,362	- 2,715

SOIL EROSION INVESTIGATIONS

(Allotment to Forest Service)

	Regular	P.W.A. General Allotment	P.W.A. funds substituted for regular Appropriation	Total
Allotment, 1932.....	$100,000	- - -	- - -	$100,000
Allotment, 1933.....	89,160	- - -	- - -	89,160
Allotment, 1934.....	83,814	26,622	- - -	110,436
Allotment, 1935.....	- - -	7,963	70,897	78,860 (a)
Budget Estimate, 1936....	74,152	- - -	- - -	74,152
Increase, Budget 1936, compared with Allotment, 1935.....	+ 74,152	-7,963	-70,897	-4,708 (b)

(a) Includes $67,642 funds transferred from P.W.A. in lieu of regular appropriation, $3,255 from fund authorized by Section 21 (c) of act of March 28, 1934, and $7,963, the balance of an allotment of $34,585 made during the fiscal year 1934 from a total of $15,967,745 made available by the Federal Emergency Administration of Public Works for physical improvements, control of tree-destroying insects and diseases, and forestry research (shown in Budget schedules at the end of Forest Service under the heading "National Industrial Recovery, Agriculture, Forest Service").

(b) Increase of $74,152 in regular funds to restore $67,642 allotted in 1934 from P.W.A. funds, plus $3,255 from fund authorized by Section 21 (c) of Act of March 28, 1934, plus an increase of $3,255 for 5% salary restoration 1936 (to 100%). In 1935, however, there was available $78,860 consisting of funds enumerated in footnote (a). Hence, the 1936 Budget contemplates a decrease of $4,708 in total working funds.

PROJECT STATEMENT
(Forest Service)

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease 5% Salary Restoration	Increase or decrease Working Funds
Obligated:					
Appalachian:					
Regular Funds	$ 4,237	..	$ 4,763	$ 196	$+4,567
P.W.A. Funds (Research)	1,809	$ 541	..	..	- 541
P.W.A. Funds (Lieunira)	..	4,567	..	..	-4,567
California:					
Regular Funds	20,068	..	23,163	1,081	+22,082
P.W.A. Funds (Research)	5,373	1,607	..	..	- 1,607
P.W.A. Funds (Lieunira)	..	22,082	..	..	-22,082
Intermountain:					
Regular Funds	13,998	..	15,727	694	+15,033
P.W.A. Funds (Research)	6,062	1,813	..	..	- 1,813
P.W.A. Funds (Lieunira)	..	15,033	..	..	-15,033
Lake States:					
Regular Funds	3,544	..	3,902	152	+ 3,750
P.W.A. Funds (Research)	..	..	..	..	..
P.W.A. Funds (Lieunira)	..	3,750	..	..	- 3,750
Southern:					
Regular Funds	3,876	..	4,338	161	+ 4,177
P.W.A. Funds (Research)	1,863	557	..	..	- 557
P.W.A. Funds (Lieunira)	..	4,177	..	..	- 4,177
Southwestern:					
Regular Funds	16,674	..	19,107	814	+18,293
P.W.A. Funds (Research)	11,515	3,445	..	..	- 3,445
P.W.A. Funds (Lieunira)	..	18,293	..	..	-18,293
Washington, D.C.					
Regular Funds	2,854	..	3,152	157	+ 2,995
P.W.A. Funds (Research)	..	..	..	..	..
P.W.A. Funds (Lieunira)	..	2,995	..	..	- 2,995
Total Obligations:					
Regular Funds	65,251	..	74,152	(1)3,255	+70,897(2)
P.W.A. Funds (Research)	26,622	7,963	...	..	- 7,963
P.W.A. Funds (Lieunira)	..	70,897	..	..	-70,897
Unobligated:					
Regular Funds:					
Salary reduction impoundments and vacancy savings	4,317	..	..	..	..
Other amounts unobligated	14,246	..	..	..	..
P.W.A. Funds:					
Total Regular appropriations	83,814	..	74,152	+.74,152	
Total P.W.A. Research	26,622	7,963	..	- 7,963	
Total P.W.A. Lieunira	..	70,897	..	-70,897	
TOTAL ALL FUNDS	110,436	78,860	74,152	- 4,708	

The increase of $74,152 in regular funds for 1936 includes:

(1) An increase of $3,255 for 5% salary restoration, 1936 (to 100%).

(2) An increase of $70,897, consisting of $67,642 to restore the regular appropriations for Soil Erosion Investigations for which Public Works funds were utilized for the fiscal year 1935 for the existing projects detailed below under heading "Work Under This Appropriation," plus $3,255 for salary restoration, 1935 (to 95%) from fund authorized by Sec. 21 (e), Act of March 28, 1934.

WORK DONE UNDER THIS APPROPRIATION

Appropriations under the following seven projects fall under the "National Program of Erosion-Streamflow Investigations on Forest and Range Lands," submitted on January 12, 1931, to the Subcommittee of the Committee on Appropriations, United States Senate in the hearings for the appropriation bill for 1932. The research under this program is to determine the effect of forest, brush, or range cover, or of combinations of them on erosion and streamflow. Its purpose is to determine whether such vegetative cover may serve as the major factor in providing satisfactory conditions of water flow and of controlling erosion on entire watersheds, or important parts of watersheds; and, if so, whether it must be used in a virgin condition or may be modified by cutting or grazing. It seeks to ascertain how to conserve soil fertility and moisture for the growing of forest and range forage and how to deliver the maximum amounts of usable water for irrigation, municipal use, power, navigation, etc. Its objective is to make waste lands productive, to protect against destructive floods, and to safeguard public and private works, investments which already aggregate hundreds of millions of dollars. In short, it is designed to furnish facts and remedial measures as a basis for action by Federal, State, and other agencies.

Practically every watershed in the United States contains some portion of the 615 million acres of forest land or of the 500 million acres of range land, or both. The disastrous Mississippi flood and many other floods of recent years, the rapidly increasing demand for irrigation water throughout the West, and the shortage of municipal water for many cities and towns during drought years greatly accentuate the problem caused by increasing population, and have focused attention on both forest and range as related to streamflow regulation and erosion control.

These investigations are already supplying basic information which is being applied on a national scale under various emergency programs, including the erosion-control work of the Civilian Conservation Corps on both public and private forest and range lands. The emergency forest land acquisition program has also been guided by research findings into the erosion and flood control needs of given areas.

Project 1. Appalachian Forest Experiment Station. Work under this project is being conducted at the upper reaches of the Appalachian Mountains. It is directed specifically toward determining the relationship of forests and streamflow at the more easterly headwaters of the Ohio River. Floods originating in the higher elevations of this region with the heaviest rainfall in the eastern United States, contribute greatly to major floods in the Ohio and Mississippi Rivers while the large volumes of silt and debris

from ill-protected forest lands carried into the main river channels are major factors in making navigation difficult. The results of this work are emphasizing the importance of protecting the forests at high elevations from all fire and all but the most conservative cutting. They are demonstrating the close relationship between forests and regularity of flow, the need for careful management of all watershed forests, and developing methods of increasing the storage of water in the soil to appear later as springs. The work should be continued.

Project 2. California Forest and Range Experiment Station. Work under this project is being conducted in the chaparral region of southern California and the mixed forest type of the southern Sierra region where critical erosion and streamflow problems exist. Adequate water supplies for agricultural, municipal and industrial purposes now rank among the most valuable products of the California forests. Floods are frequent and erosion is severe. Methods of erosion and streamflow control developed by this research have been successfully applied on national forest lands. These results have proved invaluable in preventing floods and destructive erosion from burned-over lands and in water conservation measures. Methods of controlling the erosion of cuts and fills on mountain roads under Federal and State construction and which frequently caused serious damage have been worked out. Road programs of all public agencies now include measures designed to prevent damage. Continuance of these studies is highly important.

Project 3. Intermountain Forest and Range Experiment Station. Work includes the determination of the effect of mountain grasslands cover on erosion and the flow of the streams tributary to the Boise River irrigation project in southern Idaho, and of the relation between the plant cover of alpine grasslands and erosion and runoff in central Utah. It also includes cooperative surveys with State agencies of the causes of destructive floods in northern Utah during the last few years. The project results are especially vital to the region and are the basis for the Federal and State emergency erosion control programs; the work should be continued.

Project 4. Lake States Forest Experiment Station. Work under this project is designed to aid in erosion control and flood reduction in the upper Mississippi River basin. This research is now concentrated in the easily eroded loessal soils and blufflands of southwestern Wisconsin where gullies are discharging millions of tons of soil into the Mississippi River annually. Besides indicating the value of forests in erosion control, a technique has been developed for using various types of soil-saving dams. This technique is widely used by the Civilian Conservation Corps in the region and has been used in erosion control activities on national forests and by the Soil Erosion Service in the middle West. The work already has pointed sharply to the need of public forests in the blufflands as a measure of erosion control and streamflow regulation in the Upper Mississippi, and should be continued.

Project 5. Southern Forest Experiment Station. Work under this project is concentrated largely in the easily eroded loessal soils of the lower Mississippi Valley. It is designed to perfect ways of controlling erosion and reducing flood runoff from denuded forest and abandoned submarginal agricultural lands. Methods of procedure in erosion-control are now being widely used not only in the Southern States where these problems exist, but elsewhere in the United States. Factual data on the relationship of forests to floods in the Yazoo River and to the serious dredging burden now carried by the Army Engineers have been obtained which have been used as a basis for the extension of public forests in this section. The data have also been in demand by the President's Committee on River Improvement and by the President's Committee on the Mississippi River. These studies are still incomplete.

Project 6. Southwestern Forest and Range Experiment Station. Work includes investigations of the effect of the type and density of herbaceous and brush cover upon erosion and streamflow and of supplemental measures for erosion control, particularly on the watersheds of the Roosevelt Reservoir, - the main storage of the Salt River Valley irrigation and power project. Erosion is unusually severe. Its permanent control can be obtained only by the establishment and maintenance of good cover of vegetation. Growth, however, is handicapped by the naturally adverse climatic conditions. The erosion-streamflow control programs under emergency funds in the Southwest on national forests, State and private lands are based upon the results of these investigations. For these reasons and because of the important agricultural and other interests at stake the work should be continued.

Project 7. Washington, D. C. The work under this project represents the overhead necessary for proper supervision and correlation of erosion-streamflow studies at the forest experiment stations and for making the results of these investigations available to the general public. The effective and efficient handling of the field work depends upon its continuance.

SOIL EROSION INVESTIGATIONS
(Allotment to Bureau of Chemistry and Soils)

Allotment, 1932	$ 156,850
Allotment, 1933	100,000
Allotment, 1934	96,264
Allotment, 1935	87,784 (a)
Budget Estimate, 1936	91,410
Increase, Budget 1936, compared with Allotment, 1935	3,626 (b)

(a) Includes $3,392 to cover 5% salary adjustment for 1935 (to 95%), as follows: (1) $1,475 transferred from Bureau of Animal Industry; and (2) $1,917 from fund authorized by Sec. 21 (e) of Act of March 28, 1934.

(b) Increase of $3,626 compared with 1935 allotment represents 5% salary restoration, 1936 (to 100%).

PROJECT STATEMENT

(Bureau of Chemistry and Soils)

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Soil Erosion Stations-					
Bethany, Mo.	$ 6,838	$ 7,065	$ 7,315	$ 250	- - -
Clarinda, Iowa.....	9,818	10,040	10,500	460	- - -
Guthrie, Okla.	7,436	8,570	8,920	350	- - -
Hays, Kans.	3,845	4,715	4,885	170	- - -
LaCrosse, Wis.	6,606	7,130	7,370	240	- - -
Pullman, Wash.	7,526	7,555	7,875	320	- - -
Statesville, N.C.	7,625	7,240	7,520	280	- - -
Temple, Tex.	7,327	8,535	8,900	365	- - -
Tyler, Tex.	7,311	8,360	8,725	365	- - -
Zanesville, Ohio.....	9,104	8,620	9,000	380	- - -
Washington headquarters	8,272	9,954	10,400	446	- - -
Total obligations.....	81,708	87,784	91,410	(1)3,626	- - -
Unobligated:					
Salary reduction impoundments.....	4,560	- - -	- - -	- - -	- - -
Other legislative impoundments.....	3,835	- - -	- - -	- - -	- - -
Other amounts unobligated.....	6,161	- - -	- - -	- - -	- - -
Total allotment.....	96,264	87,784	91,410	+3,626	

(1) The increase of $3,626 for 5% salary restoration, 1936 (to 100%).

WORK DONE UNDER THIS ALLOTMENT

Work under this allotment consists of investigations, in cooperation with the Bureau of Agricultural Engineering and with State Experiment Stations, to determine the causes of erosion; to devise methods for prevention or control of erosion, for conservation of rainfall, and for the renewal of eroded lands; and to develop a comprehensive research program of soil erosion control for the entire United States. More than 21,000,000 acres of land formerly under cultivation have been essentially ruined by soil erosion, and 75 percent of all land in cultivation is being impoverished by this destructive agency. Intensive soil erosion control studies are conducted at erosion experiment stations located in the major soil regions of the United States. Stations have been established at Guthrie, Okla., Temple, Tex., Tyler, Tex., Hays, Kans., Bethany, Mo., Statesville, N.C., Pullman, Wash., Clarinda, Iowa, LaCrosse, Wis., and Zanesville, Ohio. The work includes determination of

soil and water losses under various controlled conditions and their relation to character of soil, rainfall, etc.; study of the effect of modification of soil conditions on erosion and run-off with a view to applying practical methods to general farm usage in the region; renewal of productivity of eroded land; study of relation of native vegetation to soil and water losses; study of relation of soil and water losses to yield and quality of crops; and determination of the best rotations, soil treatments, and cropping practices for erosion control.

SOIL EROSION INVESTIGATIONS
(Allotment to Bureau of Agricultural Engineering)

Allotment, 1932	$ 73,150
Allotment, 1933	100,000
Allotment, 1934	96,396
Allotment, 1935	87,366 (a)
Budget Estimate, 1936	90,800
Increase, Budget 1936, compared with Allotment, 1935	3,434 (b)

(a) Includes $3,432 to cover 5% salary adjustment for 1935 (to 95%) as follows: (1) $1,493 transferred from Bureau of Animal Industry; and (2) $1,939 from fund authorized by Sec. 21 (e) of Act of March 28, 1934.

(b) Increase of $3,434 compared with 1935 appropriation consists of 5% salary restoration, 1936 (to 100%).

PROJECT STATEMENT

(Bureau of Agricultural Engineering)

Projects	1934	1935 (Estimated)	1936 (Estimated)	Increase or decrease: 5% Salary Restoration	Increase or decrease: Working Funds
Obligated:					
Soil Erosion Stations-					
Bethany, Mo.	$ 8,847	$ 8,980	$ 9,364	$ 384	- - -
Clarinda, Iowa.....	8,515	8,210	8,531	321	- - -
Guthrie office.....	5,648	7,257	7,560	303	- - -
Guthrie, Okla.	7,164	6,207	6,490	283	- - -
Hays, Kans.	3,965	4,823	5,005	182	- - -
LaCrosse, Wis.	6,374	7,410	7,727	317	- - -
Pullman, Wash.	6,775	7,222	7,527	305	- - -
Statesville, N.C. ...	7,732	8,965	9,305	340	- - -
Temple, Tex.	5,718	5,836	6,055	219	- - -
Tyler, Tex.	6,447	7,310	7,610	300	- - -
Zanesville, Ohio.....	9,423	8,996	9,301	305	- - -
General investigations.....	5,079	6,150	6,325	175	- - -
Total obligations.....	81,687	87,366	90,800	(1) 3,434	- - -
Unobligated:					
Salary reduction impoundments.....	3,837	- - -	- - -	- - -	- - -
Other legislative impoundments.....	176	- - -	- - -	- - -	- - -
Other amounts unobligated.....	10,696	- - -	- - -	- - -	- - -
Total appropriation....	96,396	87,366	90,800	+ 3,434	

(1) This increase of $3,434 covers 5% salary restoration, 1936 (to 100%).

WORK DONE UNDER THIS ALLOTMENT

The work under this project has to do with the engineering features of the Department's soil erosion investigations and is financed by an allotment of funds made to the Bureau by the Secretary of Agriculture. In cooperation with the Bureau of Chemistry and Soils, the Forest Service, and State Agricultural Experiment Stations and other agencies, ten soil erosion farms in nine States have been established. Studies are being made of engineering problems relating to the design and construction of satisfactory erosion control works such as terraces and soil saving dams; the development of more efficient machinery for constructing terraces; and the requirements of farm machinery for operation over terraced land, under the different soil, crop, and climatic conditions present in those areas.

Separate projects are listed for Guthrie Office and Guthrie Station because the officer in charge of the technical phases of the agricultural engineering work at the ten soil-erosion experiment stations has his headquarters at Guthrie. The allotment for the Guthrie Office covers his salary

and travel expenses incurred in supervising work at the other field stations and salary of one typist. Guthrie Station allotment covers salary of one engineer and other agricultural engineering expenses on the erosion station located near the town.

EMERGENCY FUNDS
(Bureau of Agricultural Engineering)

Projects	Obligated, 1934	Estimated obligations, 1935
Public Works allotments (National Industrial Recovery Act) for Soil Erosion Stations:		
Bethany, Mo.:		
Gravel surfacing roadway leading to experiments	$1,000	- - -
Installation of four complete run-off experiments	1,998	$ 2
Construction of soil saving dams	700	- - -
Repairs to farm buildings	500	- - -
Installation of water supply system	1,376	124
Clearing and stumping fields	300	- - -
Installation of length-of-slope field equipment (leased land)	800	- - -
Clarinda, Iowa:		
Construction of implement shed	1,257	43
Construction of office and laboratory	1,363	637
Repair of house	300	- - -
Gravel surfacing roadway and repairing fences	800	- - -
Constructing soil saving dams	251	349
Installation of silt samplers	999	1
Construction of terrace outlet protection	400	- - -
Completion of lysimeter installation (all on leased land)	761	39
Guthrie, Okla.:		
Gravel surfacing roadway leading to experiments	996	4
Construction of gully-control dams	493	7
Rebuilding silt boxes	1,585	15
Repairs to buildings and additions	982	18
Additions to erosion control plot equipment (all on leased land)	1,392	8
Hays, Kans.:		
Gravel surfacing roadway leading to experiments	1,000	- - -
Repairs to silt boxes	500	- - -
Reconstruction of measuring devices at control plots (State-owned land)	1,300	- - -
LaCrosse, Wis.:		
Gravel surfacing roadway leading to experiments	1,964	36

Projects	Obligated, 1934	Estimated, obligations, 1935
LaCrosse, Wis. (Cont'd).:		
Repairs and additions to barns and silos.....	$1,572	$428
Addition to erosion control plot equipment.....	609	891
Construction of soil saving dams.....	310	490
Protection to terrace outlets (all on State-owned land).....	300	- - -
Pullman, Wash.:		
Gravel surfacing roadway leading to experiments	1,000	- - -
Terrace outlet protection.....	500	- - -
Addition to erosion control field equipment (all on State-owned land).....	850	- - -
Statesville, N.C.:		
Gravel surfacing roadway leading to experiments	1,000	- - -
Repairs to house.....	999	1
Clearing and stumping land.....	999	1
Terrace outlet protection and control.....	700	- - -
Construction of soil saving dams.....	699	1
Construction of new terraces.....	298	2
Installment of lysimeter equipment (all on leased land).....	289	711
Temple, Tex.:		
Gravel surfacing roadway leading to experiments	800	- - -
Terrace outlet protection.....	394	6
Replacement of silt boxes.....	1,497	3
Addition to laboratory.....	983	17
Construction of implement shed.....	994	6
Reconstruction of lysimeter equipment (part State-owned and part leased land).....	487	413
Tyler, Tex.:		
Repair and construction of fences.....	500	- - -
Construction of machine shed.....	1,325	- - -
Gravel surfacing roadway leading to experiments	1,500	- - -
Construction of house and laboratory.....	2,000	- - -
Construction of terrace outlet controls.....	400	- - -
Construction of soil saving dams.....	622	53
Repair and construction of silt boxes.....	1,796	4
Additions to equipment, erosion control plots (all on State-owned land).....	1,460	40
Zanesville, Ohio:		
Gravel surfacing roadway leading to experiments	962	38
Terrace outlet protection and straightening natural drainage channels.....	1,300	- - -
Installation of experimental tile drainage.....	196	304
Construction of soil saving dams.....	600	- - -
Installation of two complete silt sampler devices.....	577	23
Addition to erosion control plot equipment (all on State-owned land).....	1,148	352
Total, P. W. A. allotments.....	$52,683	$5,067

(2) Projects Financed through other Govermental Agencies

Projects	Obligated, 1934	Estimated obligations, 1935
Emergency Conservation Work (Authorized by Act of March 31, 1933; allotment from War Department through Forest Service): Work by engineers of the Bureau of Agricultural Engineering inspection and supervising gully control, erosion control, and minor flood control projects of the Civilian Conservation Corps throughout the United States.....	$31,155	$45,000

PASSENGER-CARRYING VEHICLES

The authorization for the purchase of passenger-carrying vehicles contemplates the purchase by the Bureau of Agricultural Engineering of 2 new cars at a cost of $1200. There are no passenger-carrying vehicles being purchased during the fiscal year 1935. As shown by the Budget schedule, the $1200 authorization would permit the replacement of 2 vehicles at an average net cost of approximately $438 each when exchange allowances are taken into account. The replacements are needed in order to obviate the continued use of worn-out cars at excessive maintenance costs. These cars have been in service for four years or longer.

(f) BELTSVILLE RESEARCH CENTER

Appropriation, 1935.....	$ - - -
Appropriation, 1936.....	75,000
Increase, Budget 1936, compared with Appropriation, 1935.....	75,000

PROJECT STATEMENT

Project	1934	1935 (Estimated)	1936 (Estimated)	Increase in working funds
Beltsville (Md) Research Center: General Administration and Maintenance	- - -	- - -	$ 75,000	(1) + 75,000

(1) The Department maintains a research center at Beltsville, Md., where investigational work is conducted by six bureaus, and work is planned to be located there under several additional bureaus. This center comprises some 5,000 acres of land, and approximately $3,000,000 is being expended

there from allotments of funds made by the Public Works Administration in providing permanent facilities. A fund for general administration, maintenance, and protection of the property and for coordination of service facilities is essential, and for these purposes the estimates for 1936 include a separate item of $75,000. Other expenses of operating the research center will be met by the various bureaus of the Department of Agriculture concerned from appropriations available to them.

(g) INTERNATIONAL PRODUCTION CONTROL COMMITTEES

This item extends during the fiscal year 1936 the authority contained in the 1935 Agricultural Appropriation Act, enabling the Secretary of Agriculture to expend not to exceed $10,000 from Agricultural Adjustment Administration funds to cover United States membership expenses of the International Wheat Advisory Committee or like bodies concerned with the reduction of agricultural surpluses, etc.

The continuation of this authorization is recommended in order to make clear that the appropriations under the Agricultural Adjustment Act are available for paying the share of the United States in, and the expenses of sending representatives to, International Committees and similar bodies relating to the reduction of production of agricultural commodities or other international cooperation necessary in connection with carrying out the policies of the Agricultural Adjustment Act.

While the International Wheat Agreement, signed at London August, 1933, has not been completely successful, it has brought a profound change in the attitude of the principal wheat producing nations of the world toward the wheat problem, and brought in 1934 favorable legislation looking toward adjusting wheat acreages. Not only the United States, but Canada, Australia, Argentina, France, Italy and Germany showed significant decreases in wheat acreages. While partially due to weather conditions in some countries, these decreases were undoubtedly accentuated by specific steps taken in most of these countries to reduce acreages in accordance with the terms of the agreement. Canada passed legislation with respect to wheat quite similar to the Bankhead legislation in this country with respect to cotton. Australia had similar legislation restricting wheat exports. Argentina reported that pressure was brought on farmers through financial agencies to substitute other crops for wheat. France passed legislation restricting wheat acreage, and also conducted extensive propaganda as to the need for reduced acreages. Italy terminated her "battle of wheat" for increased production and instead conducted a wide campaign recommending a reduction in wheat outturn. At the same time, measures to increase wheat consumption in several countries were taken as a result of the agreement. France in particular denatured large quantities of wheat for feeding to livestock.

Discussions looking toward a continuation of concerted world action for wheat control in 1935 and subsequent years have taken place at recent meetings of the International Wheat Advisory Committee, but final action has been delayed awaiting action of one important exporter.

It is of great importance to the United States that we continue to secure the cooperation of the other countries in concerted action for the adjustment of wheat production to demand. If that were not done, reduced wheat acreage in this country could be largely offset by increased production elsewhere with the eventual result that our production might have to be restricted completely to our domestic requirements, (only about 625,000,000 bushels per year) before our prices would be materially improved. By securing the cooperation of other countries in this project we will probably be able to maintain a production ranging from 700 to 750 million bushels a year while securing satisfactory prices for the product. This will enable us to maintain, in years of average crop yields, exports of approximately 100 million bushels, or about the average export we had in the years before the War. It is therefore, of exceedingly great value to this country that the international cooperation started last year be continued in the future, and the item of $10,000 for covering our share of the budget for such international cooperation is infinitesimal compared with the benefits of continuing many millions of acres in wheat for export, and with the further advantage that an improved world wheat situation will have on general world economic conditions.

(h) GRASSHOPPER CONTROL

Appropriation, 1935	$ 2,354,893 (a)
Budget Estimate, 1936	------
Decrease Budget 1936, compared with Appropriation, 1935	2,354,893 (b)

(a) Of this amount $2,293,701 was apportioned for obligation in the fiscal year 1934.

(b) Appropriation expires by limitation June 30, 1935.

PROJECT STATEMENT

Projects	1934	1935 (Estimated)	1936 (Estimated)	Decrease in working Funds
Grasshopper control.....	- - -	$2,354,893	- - -	-$2,354,893(1)

(1) Decrease of $2,354,893 in 1936 is due to the lapsing of the appropriation with the fiscal year 1935.

WORK DONE UNDER THIS APPROPRIATION

This special appropriation made available in the Agricultural Appropriation Act for 1935 for the fiscal years 1934 and 1935 provided funds for the carrying on of cooperative control campaigns against grasshoppers. The funds provided were used for the purchase and transportation of materials used in making bait and certain other expenses necessary to the effective conduct of the campaign. The local distribution and utilization of the

material were carried out by the cooperating State and local agencies.

As soon as the funds became available the Department indicated the type of organization and cooperation that would be required from the States desiring to participate in this cooperative effort. The major part of the work was carried on in eight of the northern Plains States where surveys, on which the budget estimate was based, indicated that the grasshopper infestation would be unusually severe. Unusually large numbers of grasshoppers occurred in parts of ten other States and control campaigns were carried on in cooperation with the following 18 States: Arizona, California, Colorado, Idaho, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, New Mexico, Nevada, North Dakota, Oregon, South Dakota, Utah, Wisconsin and Wyoming. All purchases of materials used in the manufacture of bait were made by employees of the Bureau. The ingredients entering into the bait, except that used in certain outlying states, were mixed at mills located at appropriate centers in or adjacent to the infested area. During the campaign 78,370 tons of bait were shipped to designated distribution centers within the infested States. The railroads concerned with transporting the raw materials or mixed bait gave preferential handling to such shipments as well as concessions as to rates, etc. which materially reduced transportation charges.

The unprecedented drought so severely affected crops over a considerable portion of the area where the control was applied that it is impracticable to accurately estimate the direct benefits resulting from the campaign. That very effective control was secured and the number of grasshoppers greatly reduced is certain and all concerned are convinced that the campaign was successful. A survey conducted during the past fall in cooperation with States indicates that in many areas there will be no need of control measures next year. To protect the crops of the next season control measures will, however, have to be applied in certain limited areas unless unfavorable weather intervenes at the critical time. It is believed, however, that by using the small unexpended balance of this appropriation which is available until June 30, 1935, the Department and cooperating States can apply controls necessary to protect the crops of 1935 in the limited areas where grasshoppers are expected to occur in outbreak numbers.

(i) FOREST ROADS AND TRAILS

	Regular	Emergency	Total
Appropriation 1932	$12,500,000	..	$12,500,000
Appropriation 1933	8,905,000	$5,000,000 (a)	13,905,000
Appropriation..... 1934	4,457,400	24,700,000 (b)	29,157,400
Appropriation 1935	1,500,000	10,000,000 (c)	11,500,000
Budget Estimate..... 1936	7,082,600	..	7,082,600
Increase, Budget 1936, compared with appropriation, 1935	5,582,600(d)	-10,000,000	-4,417,400

(a) Highways within National Forests (Emergency Relief and Construction Act of July 21, 1932).

(b) Public Works allotments under National Industrial Recovery Act.

(c) Forest Roads and Trails, Emergency Construction (Emergency Appropriation Act, 1935, approved June 19, 1934).

(d) Increase of $5,582,600 compared with 1935 appropriation is an increase under regular appropriation. In 1935, however, there was available $10,000,000 from the emergency appropriation for Forest Roads and Trails. Hence, the 1936 Budget estimate under this item contemplates a decrease of $4,417,400 in total working funds.

PROJECT STATEMENT

Projects	1934	1935 (Estimate)	1936 (Estimated)	Increase or decrease in Working Funds
Obligated:				
Forest Highways-Construction and maintenance of forest roads of primary importance to States and counties:				
Regular Funds.....	$4,457,400	$1,500,000	$4,082,600	+$2,582,600
Emergency Funds.....	15,000,000	7,000,000	..	- 7,000,000
Forest Road Development-Construction and Maintenance of forest roads and trails of primary importance to protection and utilization of the national forests:				
Regular Fund.....	..	..	3,000,000	+ 3,000,000
Emergency Funds.....	9,700,000	3,000,000	..	- 3,000,000
Total Obligations:				
Regular Funds.....	4,457,400	1,500,000	7,082,600	+ 5,582,600
Emergency Funds.....	24,700,000	10,000,000	..	-10,000,000
Unobligated:				
Salary reduction impoundment:				
Regular Funds.....	110,088	..	..	..
Emergency Funds.....	5,321	..	..	..
Total, Regular Appropriation.....	4,457,400	1,500,000	7,082,600	+ 5,582,600
Total, Emergency Appropriation.....	24,700,000	10,000,000	..	-10,000,000
Total, All Funds.....	29,157,400	11,500,000	7,082,600	- 4,417,400

The Forest Roads and Trails appropriation of which this item is a part is authorized by the provisions of the Federal Highway Act approved November 9, 1921.

The Budget estimate for 1936 consists of $582,600, the unappropriated portion of the authorization for the fiscal year 1933, and $6,500,000, a part of the $10,000,000 authorized for the fiscal year ending June 30, 1936 by the Hayden-Cartwright Act of June 18, 1934.

CHANGES IN LANGUAGE

The addition of language to the item for Forest Roads and Trails is recommended to provide for the acquisition of a site and the construction of a building to house equipment at Fort Logan, Colorado. Permanent structures have been provided to house the equipment depots of the Bureau of Public Roads at Vancouver, Wash., Government Island, Calif., and Ogden, Utah. The repair shop portion of the temporary structure housing the Bureau equipment depot on the Military Reservation at Fort Logan, Colorado, was recently very badly damaged by fire, necessitating the rental of commercial space for this work. The amount requested will provide for the acquisition by purchase or construction of a suitable building to replace the rented space and the temporary buildings at Fort Logan, and for the purchase of land if this is found to be necessary.

The change in the D. C. salary limitation is due to the expiration of emergency funds for Departmental personal services in the District of Columbia, making it necessary to finance these services from the regular appropriation.

WORK DONE UNDER THIS APPROPRIATION

This appropriation is made for Forest Roads and Trails under the provisions of Section 23 of the Federal Highway Act of November 9, 1921. It is divided into two parts, the Forest Highway Fund and the Forest Road Development Fund. The Forest Highway Fund is expended for roads necessary to the Forests but of primary importance to the States, counties or communities within, adjoining or adjacent to the National Forests in the Highway Systems of the States. The Forest Road Development fund is appropriated and expended for roads and trails of primary importance to the administration, protection and utilization of the National Forests.

The Forest Road and Trail System as planned includes 103,949 miles of road (Forest Highways 17,926 miles and Forest Development roads 86,023 miles) and 150,778 miles of trails. The road system when completed will provide a mile of road for 2,350 acres or approximately 3.7 square miles as an average.

(j) FOREST ROADS AND TRAILS, EMERGENCY CONSTRUCTION
(Act June 19, 1934)

(See preceding item "i").

(k) PAYMENTS TO EMPLOYEES IN FOREIGN COUNTRIES

Allotment, 1935	$ 79,000
Allotment, 1936	- - -
Decrease, Budget 1936, compared with 1935 allotment	79,000

This represents the amount allocated to the Department of Agriculture from an appropriation of $7,438,000 provided under Section 5 of the Legislative Appropriation Act, 1935, for carrying into effect the provisions of the Act of March 26, 1934, authorizing annual appropriations to meet losses sustained by officers and employees of the United States in foreign countries due to the appreciation of foreign currencies in their relation to the American dollar. The 1936 Budget makes no provision for continuance of this item under the Department of Agriculture. It is understood, however, that in the event a general appropriation is made for such purposes provision for the Department of Agriculture will be included.

AGRICULTURAL ADJUSTMENT ADMINISTRATION

(a) SALARIES AND EXPENSES, AGRICULTURAL ADJUSTMENT ADMINISTRATION

Appropriation, 1934	$100,000,000 (1)
Appropriation, 1935	-----
Budget Estimate, 1936	-----

(1) This is the direct appropriation of $100,000,000 made in Section 12 (a) of the Agricultural Adjustment Act, approved May 12, 1933 (Title 1, Public No. 10, 73d Congress), available until expended.

PROJECT STATEMENT

Projects	1934	Estimated 1935	Estimated 1936
Obligated:			
General administration	$2,570,434(2)	$5,442,971(2)	$5,442,971
1934 appropriation obligated in 1933.....	+ 17,374	---	---
1934 appropriation obligated in 1935.....	+5,442,971	-5,442,971	---
1934 appropriation obligated in 1936.....	+5,442,971	---	-5,442,971
Unobligated balance, available for 1937.....	+86,526,250	---	---
Total appropriation.....	100,000,000	---	---

(2) Includes funds transferred to other Government agencies, as follows:

	1934	1935
Federal Trade Commission.....	5,000	---
Division of Disbursements (Treasury Department)	1,404	16,800
Bureau of Labor Statistics (Department of Labor).....	6,024	3,024
Department of Agriculture:		
Office of the Secretary.....	---	181,928
Library.....	648	---
Extension Service.....	6,516	10,000
Bureau of Plant Industry.....	1,832	---
Bureau of Agricultural Economics.....	47,226	62,316
Total transfers.....	68,650	274,069

WORK DONE UNDER THIS APPROPRIATION

This appropriation is provided for by Section 12 (a) of the Agricultural Adjustment Act, as follows:

> "Section 12 (a). There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000,000 to be available to the Secretary of Agriculture for administrative expenses under this title and for rental and benefit payments made with respect to reduction in acreage or reduction in production for market under part 2 of this title. Such sum shall remain available until expended."

The only expenditures which have been made or which it is anticipated will be made from this appropriation in the fiscal years 1935 or 1936 are for administrative expenses, inasmuch as it is anticipated that sufficient funds from other appropriations will be available to cover all rental and benefit payments which will be made during those two fiscal years.

Should the proceeds of processing and other relating taxes be insufficient ultimately to cover all rental and benefit payments, the unobligated balance of this appropriation would be available for such rental and benefit payments. This appropriation is considered therefore, partially in the nature of a reserve to be used in such a contingency and only such administrative expenses are paid from it as are not properly chargeable to other appropriations explained under subsequent titles.

The principal activities of this Administration currently being financed from this appropriation include the planning of adjustment programs, the administrative supervision of such programs, the formulation and administration of marketing agreements and licenses and the protection of consumers' interest, pursuant to the declared policy of Congress, as stated in the Agricultural Adjustment Act.

The principal organization units of the Administration, the salaries and expenses of which are paid from this appropriation, are as follows:

Office of the Administrator
Office of Business Management
Office of General Counsel
Office of the Comptroller
Office of Consumers' Counsel
Division of Information
Division of Finance
Division of Program Planning
Dairy Section
General Crops Section
Field Investigation Section.

Permanent Indefinite Appropriation

(b) ADVANCES TO AGRICULTURAL ADJUSTMENT ADMINISTRATION (1)

Appropriation, 1934.	$441,074,029
Appropriation, 1935.	831,022,428
Budget Estimate, 1936.	570,000,000 (2)

(1) This is the appropriation made by Section 12(b) of the Agricultural Adjustment Act, explained below under "Work Done Under This Appropriation"

(2) The Budget estimate for 1936 is stated in an amount comparable in certain respects with estimated expenditures in the fiscal year 1935. It should be understood, however, that this is only an approximate estimate of obligations which will be incurred in 1936. Existing conditions make it impossible to state this estimate in any detail.

PROJECT STATEMENT

Projects	1934	Estimated, 1935	Estimated, 1936
Obligated:			
Effectuating reduction in acreage or reduction in the production for market or both.....	$375,116,677	$747,847,947	
Removal of agricultural surpluses.....	64,582,948	8,154,599	
Refunds of taxes.....	1,374,404	64,531,756	
Total obligations.....	441,074,029(3)	820,534,302(3)	$570,000,000
Difference between obligations and estimate.....	---	+10,488,126	---
Total appropriation.....	441,074,029	831,022,428	570,000,000

(3) Includes funds transferred to other Government agencies and to "Administration of the Cotton Act of 1934," as follows:

	1934	1935
Bureau of Internal Revenue (Treasury Department)..	$3,918,582	$69,487,578
Office of the Treasurer (Treasury Department).....	50,000	100,000
Division of Disbursements (Treasury Department)...	34,243	433,200
Bureau of the Census (Department of Commerce).....	841	---
Department of Agriculture:		
Extension Service.....	9,058,145	8,687,419
Bureau of Animal Industry.....	115,586	---
Bureau of Plant Industry.....	---	2,800
Bureau of Chemistry and Soils.....	1,517	915
Bureau of Entomology and Plant Quarantine.....	2,874	629
Bureau of Agricultural Economics.....	797,431	338,910
"Administration of Cotton Act of 1934".....	7,750,000	18,146
Total transfers.....	21,729,219	79,069,597

WORK DONE UNDER THIS APPROPRIATION

This appropriation is provided for by Section 12 (b) of the Agricultural Adjustment Act, as follows:

> "Sec. 12 (b) In addition to the foregoing, the proceeds derived from all taxes imposed under this title are hereby appropriated to be available to the Secretary of Agriculture for expansion of markets and removal of surplus agricultural products and the following purposes under part 2 of this title: Administrative expenses, rental and benefit payments, and refunds on taxes. The Secretary of Agriculture and the Secretary of the Treasury shall jointly estimate from time to time the amounts, in addition to any money available under subsection (a), currently required for such purposes; and the Secretary of the Treasury shall, out of any money in the Treasury not otherwise appropriated, advance to the Secretary of Agriculture the amounts so estimated. The amount of any such advance shall be deducted from such tax proceeds as shall subsequently become available under this subsection."

The major portion of the funds acquired for effectuating the declared policy of the Agricultural Adjustment Act are provided for by this appropriation. These funds are used for rental and benefit payments, removal of agricultural surpluses, refunds of taxes and administrative expenses.

Estimated obligations in the fiscal year ending June 30, 1935 include rental and benefit payments with respect to cotton, wheat, corn, hogs, tobacco, sugar and peanuts. They include estimated expenditures for the removal of surplus wheat, hogs and dairy products and estimated administrative expenses

incurred directly in the administration of programs for the adjustment of production of cotton, wheat, corn, hogs, tobacco, sugar and peanuts.

Refunds of taxes collected under the Agricultural Adjustment Act are made by the Bureau of Internal Revenue, to whom funds are transferred for that purpose from this appropriation. These refunds include refunds of taxes paid on commodities sold for charitable purposes or exported and refunds with respect to floor stocks on which taxes have been paid upon the termination or reduction in the rate of processing taxes.

Pending the development of adjustment programs for the 1936 basic commodity crops it is impossible to estimate the obligations to be incurred in the fiscal year 1936. The total of $570,000,000 submitted is approximately the current annual rate of processing tax collections.

Special Fund

(c) PROCEEDS FROM PROCESSING TAXES, AGRICULTURAL ADJUSTMENT ADMINISTRATION

This fund was established under Section 12 (b) of the Agricultural Adjustment Act for the receipt of proceeds from the processing taxes.

$8,000,000 has been warranted from this fund for the purchase of surplus beet sugar, as explained under the subsequent heading "Purchase of Surplus Sugar from Processing Taxes, Agricultural Adjustment Administration". The remaining proceeds from processing taxes will be used as required to offset advances made to the Secretary of Agriculture pursuant to Section 12 (b) of the Act.

(d) PURCHASE OF SURPLUS SUGAR FROM PROCESSING TAXES, AGRICULTURAL ADJUSTMENT ADMINISTRATION (JONES - COSTIGAN ACT)

Appropriation, 1935.	$8,000,000
Budget Estimate, 1936.	---

PROJECT STATEMENT

	1934	Estimated, 1935	Estimated, 1936	Decrease
Removal of surplus agricultural products (sugar).....	---	$8,000,000	---	-$8,000,000

WORK DONE UNDER THIS APPROPRIATION

This fund was established by warranting of $8,000,000 in the fiscal year 1935 from the appropriation "Proceeds from Processive Taxes, Agricultural Adjustment Administration" to enable the Secretary of Agriculture to carry out the provisions of Section 16 of the Agricultural Adjustment Act, as amended by Section 17 of the Jone-Costigan Act of May 9, 1934, authorizing the purchase of surplus beet sugar produced in the United States beet-sugar area. This section provides that out of such proceeds of taxes as are available therefor the Secretary may purchase not to exceed 300,000 tons of sugar, raw value, from the surplus stocks of direct consumption beet sugar. The amount of $8,000,000, accordingly, has been warranted from available proceeds of processing taxes to enable the Secretary to administer this provision, as necessary.

(e) GENERAL EXPENSE, AGRICULTURAL ADJUSTMENT ADMINISTRATION, 1934 (JONES - COMMALLY ACT)

Appropriation, 1935.	$150,000,000*
Budget Estimate, 1936.	---

*Available May 25, 1934 to December 31, 1935.

PROJECT STATEMENT

Projects	1934	Estimated, 1935	Estimated, 1936
Obligated:			
Eradicating bovine tuberculosis	---	$9,000,000	$3,000,000
Combating Bangs disease and other diseases of cattle.....	---	12,000,000	6,000,000
Purchase of dairy and beef products for distribution for relief purposes.....	---	20,000,000	---
Removal of agricultural surpluses.....	863,024	99,136,976	---
Total obligations.....	863,024(1)	140,136,976(1)	9,000,000(1)
1935 appropriation obligated in 1934.....	-863,024	+ 863,024	---
1935 appropriation obligated in 1936.....	---	+ 9,000,000	-9,000,000
Total appropriation.....	---	150,000,000	---

(1) Includes funds transferred to other Government agencies. as follows:

	1934	1935	1936
Division of Disbursements (Treasury Department).....	$3,263	$13,850	
Bureau of Animal Industry(Department of Agriculture).....	---	21,148,865	$9,000,000
Total transfers.....	3,263	21,162,715	9,000,000

WORK DONE UNDER THIS APPROPRIATION

This appropriation was made by Public Resolution 27, 73d Congress, approved May 25, 1934, to enable the Secretary of Agriculture to carry out the purposes of the Jones-Connally Amendment to the Agricultural Adjustment Act. The projects conducted thereunder include:

1. Eradicating Bovine Tuberculosis: This activity is carried on by the Bureau of Animal Industry, in cooperation with the Agricultural Adjustment Administration and consists of a nation wide campaign to eliminate bovine tuberculosis. Expenditures consist of indemnities paid to owners of condemned cattle and operating expenses connected with the campaign, as set forth under the estimates of the Bureau of Animal Industry.

2. Combating Bangs Disease and Other Diseases of Cattle: A total of $18,000,000 has been allocated to finance this project which is also carried on by the Bureau of Animal Industry in connection with the Agricultural Adjustment Administration. Expenditures include both indemnities to cattle owners and administrative expenses. The major portions of this allocation of funds will be expended in the Bangs Disease campaign, although approximately $1,000,000 of the total has been allocated for combating mastitis and other diseases. (See estimates of Bureau of Animal Industry)

3. Purchase of Dairy and Beef Products for Distribution for Relief Purposes: Section 6 of the Jones-Connally Act authorizes the Secretary of Agriculture to make advances to the Federal Surplus Relief Corporation for the purchase of dairy and beef products for distribution for relief purposes. The estimates reflect an allocation of $20,000,000 to be expended pursuant to this authority.

4. Removal of Agricultural Surpluses: This project involves expenditures for the purchase of surplus cattle in the drought stricken areas and expenditures for the removal of surplus dairy products throughout the country generally. All of such purchases are donated by the Secretary to the Federal Surplus Relief Corporation for relief distribution.

(f) ADMINISTRATION OF THE TOBACCO ACT OF JUNE 28, 1934 (PUBLIC NO. 483, 73d CONG.)

Appropriation, 1935.	$556,695
Budget Estimate, 1936.	---

PROJECT STATEMENT

Projects	1934	Estimated, 1935	Estimated, 1936	Decrease
Obligated:				
General administration...	---	$556,695 (1)	---	-$556,695

(1) Includes funds transferred to other Government agencies, as follows:

	1935
Bureau of Internal Revenue (Treasury Department).....	$275,000
Extension Service (Department of Agriculture).....	38,300
Total transfers.....	313,300

WORK DONE UNDER THIS APPROPRIATION

Funds for this appropriation are provided by collections of taxes imposed under the Tobacco Act, Public No. 483, 73d Congress, approved June 28, 1934. Such tax collections are estimated at substantially more than the expenditures involved in the administration of the Act. Administrative expenses estimated for the fiscal year 1935 involve determination of the amount of tax payment warrants to which each tobacco producer is entitled, distribution of such warrants, collection of taxes by the Bureau of Internal Revenue and other necessary expenditures to carry out the Act.

(g) ADMINISTRATION OF THE COTTON ACT OF 1934 (BANKHEAD ACT)

Appropriation, 1934.	$20,296 (1)
Appropriation, 1935.	7,747,850 (2)
Budget Estimate, 1936.	---

(1) Includes $1,420 transferred to Bureau of Internal Revenue (Treasury Department), and $1,521 to Bureau of Agric. Economics (Department of Agriculture).

(2) Includes $1,248,580 transferred to Bureau of Internal Revenue (Treasury Department), and $5,328,150 to Extension Service and $2,413 to Bureau of Agricultural Economics (Department of Agriculture).

PROJECT STATEMENT

Projects	1934	Estimated, 1935	Estimated, 1936	Decrease
General administration	$20,296 (3)	$7,747,850 (3)	---	-$7,747,850

(3) This work is being financed entirely by transfer of funds from the permanent indefinite appropriation "Advances to Agricultural Adjustment Administration."

WORK DONE UNDER THIS APPROPRIATION

Funds for this appropriation are provided by transfer from the appropriation Advances to the Agricultural Adjustment Administration. The appropriation is used exclusively for the administration of the Bankhead Cotton Act. Administration of this Act involved in the fiscal year 1935 an extensive organization for the determination of production quotas, the distribution of tax exemption certificates to producers, the identifying and tagging of tax exempt cotton, and the collection of taxes by the Bureau of Internal Revenue.

(h) ADVANCES TO SECRETARY OF AGRICULTURE FOR COTTON

Note: Section 4(b) of the Act of June 19, 1934 (Emergency Appropriation Act, 1935), authorizes the Secretary of the Treasury to advance, in his discretion, out of any money in the Treasury not otherwise appropriated, the sum of $100,000,000, to be available until March 1, 1936, to the Secretary of Agriculture, for paying off any debt or debts which may have been or may be incurred by the Secretary of Agriculture and discharging any lien or liens which may have arisen or may arise pursuant to part 1 of the Agricultural Adjustment Act, for protecting title to any cotton which may have been or may be acquired by the Secretary of Agriculture under authority of part 1 of the Agricultural Adjustment Act. Section (c) provides that the funds authorized by subsection (b) shall be made available to the Secretary of Agriculture from time to time upon his request and with the approved of the Secretary of the Treasury. (Public No. 412, 73d Congress, 48 Stat. p. 1058).

(i) SPECIAL DEPOSITS (COTTON)

These schedules reflect financial transactions in connection with the acquisition and disposition of spot cotton and cotton futures contracts by the Secretary of Agriculture as provided for by part 1, title 1 of the Agricultural Adjustment Act, approved May 12, 1933, as amended.

EMERGENCY FUNDS

Direct Allotments

Projects	Obligated, 1934	Estimated, obligations, 1935
National Industrial Recovery Act:		
1. For supplementing proceeds derived from processing taxes in connection with hog and corn adjustment programs.....	$12,124,194	$24,875,806
2. For administrative expenses in connection with administration of codes under jurisdiction of Secretary of Agriculture.....	250,000(a)	316,000
Total, N.R.A. funds.....	12,374,194	25,191,806
Loans and Relief in Stricken Agricultural Areas. (Emergency Appro.Act, 1935): For purchase and disposition of livestock and seed to provide relief in stricken agricultural areas.....	---	93,904,400(b)
Total, Emergency Funds (Direct Allotments).....	12,374,194	119,096,206

(a) Including $3,719 transferred to Bureau of Agricultural Economics (Department of Agriculture).

(b) Including $919,752 transferred to other bureaus of Department of Agriculture, as follows: Bureau of Animal Industry, $618,642; Bureau of Plant Industry, $70,532; Bureau of Dairy Industry, $1,210; Bureau of Agricultural Economics, $229,368.